

Minutes of the Special Agenda Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Tuesday, May 9, 2023, at 6:00 p.m., at the City of South Tucson Council Chambers, 1601 S. 6<sup>th</sup> Avenue, South Tucson, Arizona.

Staff Present: Veronica Moreno, Interim City Manager  
Lourdes Aguirre, Finance Director  
Danny Denogean, Public Safety Director and Chief of Police  
Angel Lopez, Director, Public Works

Councilors Present: Mayor Paul Diaz  
Vice Mayor Herman Lopez  
Acting Mayor Rita Rogers  
Councilor Anita Romero (Excused)  
Councilor Cesar Aguirre  
Councilor Brian Flagg  
Councilor Roxanna Valenzuela (via phone)

Mayor Diaz: At this time I will call the City of South Tucson Council Agenda Special Meeting for the General Fund Budget for Fiscal Year '23 - '24, today is May 9<sup>th</sup>, and it is 6:12 p.m. that we are starting, so, we are called to order. Roll call, please.

Ms. Moreno: Mr. Mayor, just a correction, Mayor, you said the wrong year, it is May 9, 2023.

Mayor Diaz: 2023-2024.

Ms. Moreno: No, this year is 2023.

Mayor Diaz: Oh, ok, sorry.

Ms. Moreno: You're looking at the item on the agenda but we're not there yet.

Mayor Diaz: Right. Ok.

Ms. Moreno: And you are skipping the Pledge of Allegiance. Do you want to go to that?

Mayor Diaz: Ok. Roll Call.

ITEM #04 – ROLL CALL (by Ms. Moreno):

Vice Mayor Lopez. Here

Acting Mayor Rogers. Here.

Councilor Anita Romero called in and asked to be excused.

Mayor Diaz. Here.

Councilor Flagg. Yes.

Councilor Aguirre. Here.

Councilor Roxanna Valenzuela. Here.

Ms. Moreno: And for the record, please note that Councilor Valenzuela is present telephonically.

Mayor Diaz: Ok, so now we are at the Study Session for the 2024 General Budget.

Ms. Moreno: Did you want to do the Pledge of Allegiance, Mayor, and Land Acknowledgement and Mission Statement?

Mayor Diaz: Please stand for the Pledge of Allegiance.

**ITEM #03 – LAND ACKNOWLEDGMENT AND MISSION STATEMENT**

Vice Mayor Lopez: On behalf of South Tucson residents, we honor the Tribal Nations who have served as caretakers of this land from time immemorial and respectfully acknowledge the ancestral homelands of the Tohono O'odham Nation and the multi-millennial presence of the Pascua Yaqui Tribe within South Tucson. Consistent with the City of South Tucson's commitment to diversity and inclusion, we strive toward building equal-partner relationships with Arizona's Tribal Nations.

Acting Mayor Rogers: The Mission of the City of South Tucson is to build up our community through mutual cooperation between we, the public servants and our citizens, so that jointly we can build a safer and stronger City. Amen.

Mayor Diaz: Thank you.

Ms. Moreno: Mayor and Members of the Council, I just want to go back to the beginning just so everything is consistent. Today is a Special Meeting, Tuesday, May 9, 2023, time is now 6:15. We have already done the Roll Call, the Call to Order, and the Pledge of Allegiance, Land Acknowledgement and Mission Statement. The next item on the agenda is Item #05.

**ITEM #05 – APPROVAL OF MINUTES**

Ms. Moreno: There are no Minutes available. The next item on the agenda following that is a Call to the Public.

***Call to the Public***

Ms. Moreno: Are there any members of the public that would like to address Mayor and Council? I see none in the audience.

**ITEM #06 - MAYOR AND COUNCIL MEMBERS: REPORTS OF CURRENT EVENTS**

Mayor Diaz: Are there any reports from the Council?

Vice Mayor Lopez: No.

Mayor Diaz: Ok, no reports from the Council.

**ITEM #07 - CITY MANAGER AND DEPARTMENT HEADS: REPORTS TO MAYOR AND COUNCIL**

Mayor Diaz: Reports?

Ms. Moreno: No, no reports at this current time, Mayor. Being that this is a Special Meeting, we are going to forego those two Items and the only one I have on the agenda for this evening that we dedicated this meeting for the Study Session on the fiscal year '24 General Fund Budget. With that, I will turn it over to the Finance

Director. You have the item in front of you and we are attempting to put it in front of you through visual means, and we are having technical difficulties so right now, Lourdes has emailed Councilor Valenzuela the items that she is going to have, she sent over to you.

Ms. Aguirre: Thank you, City Manager, Mr. Mayor and Members of the Council. I have been able to get my computer up; however, if we can get it to show on the screen it is going to help us move through this process a little better. Thank you, Chief, for helping with that. So, in your packets what you received was three attachments, right. The very first attachment is kind of like a summary. I like to put those little worksheets together for Mayor and Council just to give you a visual exactly where money is coming from, holes in your budget, Council priorities, Department priorities that are expected, and then the bottom line. Once this is completed and Mayor and Council gives direction on exactly what items have been selected, we include this as a supplemental report in our budget once it's adopted. So that's a really nice little worksheet. It's easy for us to follow. The second attachment that we included with your packet goes over a couple of benefit scenarios for employees. There is a total of five different scenarios, and we are going to go through each one of the scenarios individually just to give you a little bit of input on those. And the third and final attachment in your packet is the same report, the same baseline report we've been working with, ok. Nothing has changed but I included it so you guys could reference it. So at this time, we will go ahead and jump on this. If you can please refer to the first attachment to your packet, the worksheet that we are going to be working with today, it's called the Options Breakdown Worksheet. Right up at the top I give you a little summary for your General Fund baseline budget. You're looking at \$6.9, I'm sorry, \$6.7 million in revenues, \$7.3 million in expenditures. Following the prior year's model, we've applied \$477,000 of expenditures from Public Safety towards ARPA, leaving you all with a deficit for next fiscal year of \$48,000. Now, Mayor and Council provided Staff with direction regarding Fire services. The option that was looked at and that Staff was directed to pursue, had a cost of \$1.6 million. There currently is \$1 million in the budget for Fire.

Councilor Flagg: How much?

Ms. Aguirre: \$1 million, ok, so in order to complete that \$1.6 million, the recommendation is to move over, or to account for \$600,000 in contingency. This \$600,000 is going to come from this current year's savings. In the budget, the baseline budget report I provided to you all, and just for your future reference, if you look at that last page of the baseline budget report, it's page 9, you will see there at the bottom of page 9 that for the current fiscal year we have a surplus of \$644,000. So, the recommendation is to utilize the savings, \$600,000 of it, and put it in contingency, ok, so that in the event everything goes well, Mayor and Council make a decision, you have that money available. And when the time comes, be the decision whatever it is, you have the money available to move it from contingency over to Fire, or over to Contracts, whichever you need to do. So that's what that \$600,000 is coming from. So now I am going to go back to the breakdown sheet. So on the breakdown sheet you see there, line #5, \$600,000. You see line #6, it's coming from this year, right, so you will have a deficit of \$3,700 for next year, \$3,700. So that takes care of our little budget summary. Now if Mayor and Council gives Staff the go-ahead to make that change, to account for that \$600,000, I will plug it into the budget, in contingency, ok, just so you all have the money available. When you get your baseline budget back, then it will reflect the deficit of \$3,700. Now under the section for Mayor and Council priorities, you see there that it says contingency. We're starting with \$201,000 in contingency. The original amount, well, not the original amount but during the last meeting I did mention to you all that I had to transfer over the expense for the rear loader, because of the delay in delivery and it's probably going to be expensed and paid next fiscal year. So we had to increase contingency by \$191,000. That's why I'm backing it out, because

you need to know exactly how much money you have to work with. So the money Mayor and Council has to work with is \$201,000 in contingency. Now let's go down and review a couple of items here. To the very left of your worksheet there is a column called Option Line Number. You follow that straight down and we are going to start with the first option, line #1. So in one of the conversations with Mayor Diaz, one of the things he mentioned, well, not in the conversation, he actually mentioned this during a previous Council meeting, he wanted Staff to perform a longevity study. He wanted Staff to perform a longevity study so that's been done, and we are going to be reporting to you on that.

Councilor Flagg: What's that mean?

Ms. Aguirre: Longevity study? Compensation for tenured employees, for tenured employees, so once they meet certain marks, five years, ten years, ok.

Councilor Flagg: Yeah.

Ms. Aguirre: For Option line #2, another thing he did mention to me in conversation was how much would it cost to hire a crew member for Public Works, so I quantified that amount right here.

Councilor Flagg: That 23?

Ms. Aguirre: \$23,500 per employee. Now go to page 2 of this breakdown sheet. My apologies, Councilor Flagg, \$23,000 is for another option of that longevity study. The Public Works item is on the second page at \$39,000. That looks a little more like it.

Councilor Flagg: Yeah, that sounds more like it.

Councilor Aguirre: So what was the second, #2, for?

Ms. Aguirre: Number 2 was for longevity study as well. So I'm just giving you listing options for you all there as well. Now under Department needs, the majority of Departments did voice concerns over some type of COLA, ok, cost of living adjustment. Mayor and Council in previous budgets have provided them with increases, especially to accommodate the salary scale for a \$15.00 an hour minimum rate. So nobody here at the City gets paid less than \$15.00 an hour. Salaries have been adjusted for compression because that increase at the bottom did cost some compression issues but that's been adjusted, that's been accounted for. So now what we are dealing with here is problems related to staffing, primarily in the Police Department. In our review of staffing levels, more than 50% of City employees have been here for less than five years, more than 50% of employees have been here for less than five years. And of those, more than 50%, half is in the Police Department with everybody being there, the majority one year, three years, ok. So, the Chief has been mentioning to you all the urgency with regards to staffing. He has also been relaying to you all the challenge of getting people in and one of those major, major challenges has to do with pay, especially when everyone in surrounding jurisdictions is paying significantly above what South Tucson pays for Police Officers. So we are going to be going over some options there.

(Ms. Moreno and Ms. Aguirre discuss the connection with the computer).

Ms. Aguirre: On my end, just so I can calculate things and report to you, I will use my computer for that. First off, in our discussions with the Chief, what we have done over the last couple of budgets is the same thing we did with the Fire Department, is we keep them whole. So just because the Chief has had positions, tenure positions that either retire or they leave, we don't strip them of those funds the next year. We leave the

money there. So we have a little section in the budget where the personnel roster where we are accounting for those types of savings. The Chief just so happens to have enough savings in his budget to cover a \$1.00 increase for salaries. So right here in your options breakdown sheet, what you see is the cost for every 50 cent increase is \$43,000. So the cost for \$1.00 would be \$87,154, \$87,154. He has enough money in that savings section to cover at least \$63,000 of that. My recommendation to the Chief was to continue keeping some savings in that field just in case he needs to make any changes with staff. For instance, here coming up he is going to be looking at moving an Officer into a Sergeant position, so he needs to be able to have enough money to utilize at his discretion for those types of uses. My recommendation to him again was to leave some money in that section so all that this \$1.00 increase would cost the General Fund is \$23,384. So that actually addresses from your second packet, it addresses scenario #3. You notice there, scenario #3, the cost per \$1.00, \$87,000. So Police have enough to cover about \$63,770 of it, leaving \$23,384. The second thing that I wanted to mention to you all as we go to option #7, option #7 addresses a COLA. And what I gave you all, and that's on scenario #1, it's the first box, page 1, scenario #1, 1.5% COLA. So, with the recommendation to increase Police salary, that's already taken care of in adjustments. So the recommendation when implementing cost of living adjustments like in previous budget years, would be to exclude Police Department because the adjustment, the \$1.00 adjustment, is accounting for more than that 1.5%. So the cost of living adjustment would actually cost \$23,140.

Councilor Flagg: That's all?

Ms. Moreno: That's across the board, not Police, this is City wide.

Ms. Aguirre: City wide, but it excludes Police.

Councilor Aguirre: Excluding Police?

Ms. Aguirre: Excluding Police, just like the last fiscal year, ok.

Ms. Moreno: Because you would be giving them that \$1.00.

Ms. Aguirre: Correct, which far surpasses the 1.5%. You can see right there the amounts per Department, \$1,684 City Manager, Finance Department \$2,138 and you know that's for three positions in my Department, just as an example, whereas \$1.00, you'll do \$2,000 a person for those that are full time, just to put it in perspective. So, 1.5% is not enough but I think Mayor and Council have done a lot of work in the last couple of years to increase everyone else. So \$23,140 would be the cost of implementing the cost of living adjustments at 1.5%. Now let's go to option line #8.

Councilor Flagg: So the cost of living thing that you just said, \$23,000, so how many employees roughly does that take care of, because it's not cops, right?

Ms. Aguirre: Correct. So that is designed to take care of,

Councilor Flagg: Roughly.

Ms. Aguirre: It's designed to take care of all employees, so classified employees, that would be about 25.

Councilor Flagg: Ok.

Ms. Aguirre: And all of the Reserves.

Councilor Flagg: Fire and Cop Reserves?

Ms. Aguirre: All of the Fire Reserves because once the salaries are adjusted on the Police side for the classified employees, it affects their entry rate and Police Reserves are paid at the entry rate. So that \$1.00 increase goes for all Police Officers.

Ms. Moreno: All uniformed personnel, so everybody in Police uniform, not your civilians, just uniformed personnel.

Councilor Flagg: So anyone that comes to the Police stuff, you have the pension factored in?

Ms. Aguirre: Correct, yes.

Ms. Moreno: Lourdes, how many employees do we have on our roster not including Reserves?

Ms. Aguirre: Classified?

Ms. Moreno: City wide, from the top to the bottom, every Department?

Ms. Aguirre: Oh, every department, I'm sorry. All permanent employees?

Ms. Moreno: Yes.

Ms. Aguirre: 40.

Ms. Moreno: 40, so we have 40 employees that work for the City, whether they are full-time or part-time, that are included in this scenario. There's more Reserves that we have on the roster between Police and Fire so that's where we get that number.

Councilor Flagg: And you would include the Reserves.

Ms. Moreno: Yeah, but those are at will. They cover when available, but when we look at these scenarios other than increasing the COLAs, all the other options don't include, and Lourdes will address that, but when you're just looking at your actual core employees, it's 40, 40 core employees for every single department, from Housing, Finance, City Clerk, Police, Fire.

Ms. Aguirre: Well, this isn't including Housing because I have the number for, I'm sorry, they have about 8 of their own.

Councilor Flagg: Ok, they do?

Ms. Aguirre: Yes.

Councilor Flagg: That's not in the budget?

Ms. Aguirre: No, it's not in the General Fund Budget, it's in a Restricted Budget.

Ms. Moreno: They're funded by HUD 100%. Housing has a separate budget.

Councilor Flagg: Other jurisdictions aren't that way, are they?

Ms. Moreno: Yes.

Councilor Flagg: They are? Like the woman in Tucson?

Ms. Moreno: Liz Mireles?

Councilor Flagg: Yeah. She's like HUD funded?

Ms. Moreno: Yes.

Councilor Flagg: 100%? Really?

Ms. Moreno: Yes.

Ms. Aguirre: Well, yes, whether it's HUD or any other Community Development Programs, it's not General Fund.

Councilor Flagg: Ok.

Ms. Moreno: It's part of the City but has different funding source.

Ms. Aguirre: Correct. Ok, so now that that's clarified, the next item on here is option line #8, and that has to do with scenario #2. So under scenario #2, retention stipends, total implementation for this is \$39,000 but this is only for permanent employees. So this does not include Reserves. Reserves come and go, Reserves give their availability, work based on their personal availability, whereas permanent employees are here all the time.

Councilor Flagg: Are they all full time?

Ms. Aguirre: There are a few that are part time. Of the permanent employees, there are a few that are part-time. I believe it's two.

Councilor Flagg: Ok.

Ms. Aguirre: With that said this is based on \$1,000, ok, and I wanted to give you guys the total breakdown of \$1,000. Again, this right here includes the Police Department; however, the Police Department has some availability in their budget for equipment. In our review of their equipment line item you may have seen that there was an increase, a one-time increase, of \$200,000 for equipment in Police. And what we mentioned to you all was those upcoming upgrade needs for their radios. Their radios are going to become obsolete pretty soon. They need to be encrypted so Police Chief and Commander took a count, they took a census of all of their radios and exactly what they would need, and they were able to do a combination of a few new radios. You may recall I mentioned the cost of those was like \$6,500 for the new ones. So a combination of a few new radios and the rest encrypted. That said, it leaves them with \$70,000 in savings in equipment. Now the question to Mayor and Council becomes, how would you like to see that utilized in Police. They have the need for retention. We know that \$1.00 is not enough to give them. It is a show of good faith on the City's part, right, to give them \$1.00; however, they are going to be nowhere near where surrounding jurisdictions are. But we do have these one time \$1.00 opportunities to provide a one-time stipend. And the reason why I like to recommend a stipend is because that does not necessarily have implications for future years like a raise in salary would. If you gave someone a \$4.00 raise now, what's that going to look like next year, five years from now, right. So you have the opportunity with a one-time \$1.00. So would you want to see that given to Police personnel as a retention stipend or a higher amount than the \$1,000? Would you want that \$70,000 to cover the cost of a \$1,000 stipend for them, which according to this is \$17,000. Would you like to see that money cover the purchase of a police vehicle. So now, that's also on the list here, on the breakdown list. That is one



of the needs that Police Chief Denogean has been mentioning to you all as well. He's been letting you all know about the condition of the aging fleet.

Acting Mayor Rogers: The people? The employees?

Ms. Aguirre: The vehicles.

Acting Mayor Rogers: Oh, I thought you said police, I'm sorry.

Ms. Aguirre: The Police Chief has been letting you all know the condition of the aging vehicles and also, they do continue to submit for grants. Pascua Yaqui and Tohono O'odham have awarded them for, by now, a total of like eight vehicles; four patrol vehicles, two unmarked, over maybe for the last three years. So there's a possibility for them to continue submitting for that grant funding to see if they can get more vehicles. In our discussions with the Chief, we asked him, would you like for us to recommend to Mayor and Council they utilize the \$70,000 savings for a vehicle or for stipends at a higher rate than \$1,000 to retain. His answer was he would rather see it go to people, to retain.

Councilor Flagg: Right on.

Mayor Diaz: Excuse me. So when you made the first list, wasn't the request for one officer and two police cars? Wasn't that the request that Chief made?

Ms. Aguirre: Mr. Mayor, the first request to the

Mayor Diaz: When we went the first round on the budget, and you asked us what we needed.

Ms. Aguirre: At that point,

Chief Denogean: At that point, it was one vehicle.

Ms. Aguirre: It was for one vehicle. The Chief requested one vehicle. I did provide you all with a handout. That was an example.

Mayor Diaz: Right, I understand that, but was that the example one, two vehicles and one personnel?

Chief Denogean: It was just for one vehicle. There has been no request for any other personnel at this time.

Acting Mayor Rogers: We got another letter yesterday from the Native American.

Councilor Flagg: What do they say?

Acting Mayor Rogers: Well you got one, you got one in your mail.

Councilor Flagg: Oh, ok.

Ms. Aguirre: So this opportunity to utilize this funding, these savings, we just learned about it because Police Commander and Chief just took the count and drew up a plan for exactly how, or what radios they would want to replace and which ones they want encrypted. And they had to do a census.

Councilor Flagg: Can't you use RICO money to buy radios and cars and equipment?

Chief Denogean: We can use RICO money to buy equipment, and we have used it to buy equipment and we have plans to buy equipment or programs right now. But right now, our RICO funds, we just ended up using,



with the car that we got from Tohono O'odham, we had to spend more than what we were allotted so we used approximately \$28,000 there to complete the purchase of two unmarked vehicles and two patrol vehicles, which leaves about \$140,000 left in our RICO fund. There's also a plan right now to spend approximately \$35,000 for a Lexipol program that makes sure we have updated policies and procedures and continuing training programs, so that we stay in line with all the policies and laws that are going on today with officers and keep ourselves from possibly being sued for not having regulations and stuff. It's very important to have that, so that's something that we are working on right now.

Mayor Diaz: Excuse me, but how much is, what is the balance of your account on RICO?

Chief Denogean: It's approximately right now about \$140,000 but we plan on spending \$35,000 of that.

Mayor Diaz: That \$140,000, is that the request for RICO or is that the actual balance on your account?

Chief Denogean: That's the balance on the RICO account right now, approximately.

Mayor Diaz: Yours? That's your money, is that right?

Chief Denogean: Yes, RICO money can only be used for equipment and training. It can't be used for salaries or anything like that, but it has to be used for equipment, training, programs that work with like we're talking about the Lexipol thing.

Councilor Flagg: Can you use that for the radios?

Chief Denogean: We could use that for the radios but right now we want to leave some in there, \$100,000 is not a lot and there may be other things that come up that we need to get so we want to keep somewhat of a balance in there, too.

Councilor Aguirre: So if I may, Mayor, just to kind of clarify, so the \$200,000, where did that come from? Was that something we already allotted, the \$200,000 that was allotted for the radios? That was something that was previously allotted for by Mayor and Council from the General Fund, correct?

Ms. Aguirre: Mr. Mayor and Councilor Aguirre, that in a sense is, you know what, there was one time that there was an increase in State shared revenues, one time money, an increase, and you can see that in the budget, the baseline budget, page #1 under urban revenue sharing. There was an increase of \$339,000.

Councilor Aguirre: Ok, I see it there, yes.

Ms. Aguirre: So, because we knew this was a must.

Councilor Aguirre: The radios, yes.

Ms. Aguirre: Yes, the radios, and based on an estimate, based on the cost we were given, we added \$200,000 to the equipment line item.

Councilor Aguirre: Ok, so then now we are at a point where Chief, you have gone through and done an evaluation on the radios and figured out that you guys can cut some of that cost by upgrading some of the radios and then just purchasing what you need, and so by doing that now we have a savings of \$70,000, and that's the money we are looking at to utilize at either in purchasing another vehicle or using it in one-time stipends.

Ms. Aguirre: Correct.

Councilor Aguirre: Ok, I just wanted to make sure we're all on the same page here. And so yeah, I totally agree, just to go on the record to say I agree with you, Chief, I'd rather see the money go towards people.

Councilor Flagg: Amen.

Councilor Aguirre: And I think a stipend is a good thing for our officers, yeah, definitely.

Ms. Aguirre: Ok, very good. With regards to scenario #2, retention stipends. We go ahead and we exclude Police from this figure here and the total cost of \$1,000 retention stipends for all other employees, permanent employees, is \$23,000. What I am going to do is I'm going to add another line here that will say \$70,000, up to \$70,000. I think it is very important for Mayor and Council to possibly leave a portion of that \$70,000 in equipment, should any other needs arise. You can give a very significant stipend, ok, possibly double what we have here in scenario #2, which would cost you way less than \$70,000. So now if you want me to run some scenarios for you,

Councilor Flagg: A stipend is the exact same thing as a budget, I mean a bonus, right?

Ms. Aguirre: Correct, yes. Well, actually for \$2,000, it's double that \$17,000. For \$2,000, it's \$34,000. For \$2,500, it's \$42,500. Personally I would recommend something around that ballpark, \$2,500, maybe \$3,000. So you're looking at anywhere between \$42,500 and \$51,000.

Councilor Flagg: Per employee?

Ms. Aguirre: No, total.

Councilor Aguirre: To give each employee \$2,500.

Ms. Aguirre: Total employees.

Councilor Flagg: So everybody gets \$2,500 from the Chief and the Manager down to the lowest paid people?

Ms. Aguirre: Councilor Flagg, this would only apply for Police personnel at an increased amount to help with their retention.

Councilor Flagg: Ok.

Ms. Aguirre: Ok, so you know, maybe somewhere in between, maybe even \$2,750, or \$3,000. \$3,000 would cost you \$51,000 and you would still have \$19,000 to keep in your equipment line item.

Councilor Flagg: So every cop gets the same amount of money from the Chief down to the lowest paid?

Ms. Aguirre: Right, correct.

Ms. Moreno: Lourdes, if I may, Mayor, in our conversations earlier we talked about this option, we talked about pro-rating to make sure that those that are still on probation would get it pro-rated.

Ms. Aguirre: That's a very good point to bring up because there might be some, so, the model that we were looking at from different cities and towns when we did the study, the research, was a lot of them awarded these types of stipends at the end of the calendar year, so like in December. And so in December, depending

on whether, you know, how long the employee had been there, that's when they awarded it. So if the employee had been there the whole entire year, they got the full amount.

Ms. Moreno: Right.

Ms. Aguirre: For those that had been there a couple months, it was pro-rated.

Councilor Flagg: We need to get the money out there now, right? Forget the end of the year. I want to get the money out to potential guys right now.

Ms. Aguirre: Well, the only problem with that would be you award it or provide it now, and they leave right after they get it. So this kind of entices them, and this has been done with other cities, it's been done with the school districts, you know, at the end of the semester, to entice them to stay on board for six months, the next six months.

Councilor Aguirre: I agree with that. And just to comment, Councilor Flagg, I think us approving it shows them that they will know what they are getting at the end of the year.

Councilor Valenzuela: I think it's a good incentive. I do believe it should be given at the end of the year.

Ms. Aguirre: Very good. So is there consensus as to the amount, for \$3,000 or \$2,500?

Councilor Flagg: We should go all in.

Ms. Aguirre: \$3,000?

Councilor Aguirre: \$2,500 or \$2,700.

Councilor Flagg: \$2,700?

Councilor Aguirre: \$2,750 or something like that?

Ms. Aguirre: You want to do that?

Councilor Aguirre: I'm throwing it out as a question. I'm not trying to say that's what we should do, I'm kind of asking you all, what do you all think?

Councilor Flagg: Do you have a recommendation, Lourdes?

Councilor Valenzuela: Why does this have to be decided now?

Acting Mayor Rogers: It doesn't, it's a Study Session.

Ms. Aguirre: Mr. Mayor and Councilor Valenzuela, the amount does not have to be decided right this instant, but it does help us move forward as we go through this because we are trying to identify what could potentially come out of Departmental savings and what would need to come out of your contingency line item, the \$201,000 in contingency.

Councilor Valenzuela: Ok, thank you.

Mayor Diaz: Ok, excuse me. We talked about the retention stipend for all the Departments, so we're doing Police separate than what we're doing Public Works?

Ms. Aguirre: Yes, Mr. Mayor. So Mr. Mayor, we will get to the section on longevity in just a bit.

Mayor Diaz: Right.

Ms. Aguirre: Which will address some of the employees with Public Works. However, because Police has significant one-time savings and they do have a huge problem there with staffing and retention, the recommendation is to provide them with a larger stipend. So instead of providing Police staff with a \$1,000 stipend, their savings allow you to provide them with a much larger stipend to help address their issue.

Mayor Diaz: So where did the savings come from, in other words, why did they have such a large budget to begin with?

Ms. Aguirre: Mr. Mayor,

Mayor Diaz: Is that \$200,000 what you are talking about that came in?

Ms. Aguirre: Yes, the \$200,000 in equipment.

Mayor Diaz: That was only for the Police Department?

Ms. Aguirre: Correct, yes, Mr. Mayor, because based on our original estimate for the cost of their radios.

Mayor Diaz: Yeah, I understand that.

Ms. Aguirre: Yes.

Mayor Diaz: Ok, so as far as putting it back into the General Fund, it just stayed at the Police Department as far as what we had allowed in the previous budget for the Police Department.

Ms. Aguirre: Correct, yes, Mr. Mayor. Now, if Mayor and Council wanted to move money out of Police or Fire, then you all just direct me, but I have been letting you all know where you have these little cushions, and we have been keeping Police and Fire whole.

Mayor Diaz: Right, but I believe the City needs a lot more money in infrastructure, because that's what I'm getting at with the Public Works, is that yes, we do have a large budget in the Police Department, but we need to take some of that out and put it some place else, especially in Public Works, and not necessarily in wages or longevity. We need equipment, we need cleaning, we need all kinds of stuff in Public Works and, you know, for the infrastructure. We're getting complaints now with City street stuff, lighting, you know, over and over again, and that's what the people come in and speak in open to public, that they want something done with the infrastructure. And that's what I'm getting at is that yes, we need to move some of those fundings or line items into Public Works for those particular needs.

Ms. Aguirre: Mr. Mayor, I feel that is a very real and valid concern, so with the plan we discussed just now, and that is one of the reasons why it helps to quantify and get an idea for what you want to give in stipends, because you then have the ability to utilize the remaining savings. Maybe you don't need it in equipment line items with Police because they do already have \$20,000 there. Maybe you give stipends for \$2,750, and that leaves you with savings of \$23,250, and you move that to Public Works.

Mayor Diaz: I like that.

Ms. Aguirre: The one-time money.

Mayor Diaz: I like that idea because it's really, I understand that there's problems everywhere as far as every Department has problems, but we need to at least do something that's going to reflect that the people that are paying taxes see something done with the streets that are visual to them that we are working for, and right now we are not.

Councilor Flagg: You know, we're fresh off a campaign where we really beat the bushes and knocked on every door and that type of thing, and the overriding concern of people was public safety, and to the extent of if we don't have adequate public safety, should we disincorporate, you know. So, you know, it would be nice to have more infrastructure stuff but we're not the richest entity on earth and the most pressing need I got from people over and over again was public safety. And so, whether you put it into the equipment or the car or the people, I mean, I like the idea of putting it into the people, because the reason we are so screwed on public safety is because we pay such, the lowest wages in the state, right. So I see that as the most pressing thing, and I heard it from a bunch of people when we walked and knocked on doors.

Mayor Diaz: And again, excuse me, but I get the complaints of the infrastructure.

Acting Mayor Rogers: So do I.

Mayor Diaz: Yes, public safety comes first because the people are complaining about it because police response time, and excuse me, but this is the reality of the police response time and I have at least suggested that maybe there's another way for that response time to be covered, ok. And theoretically that response time is the most important one for what you are calling the most important safety thing that people want, that's the response time. You can't have it with the two people or three people that are assigned per shift or whatever, you've got to have, the response time has to be cut down and you can't have it by paying them more. You can't have it by doing stuff with the Police Department. I do believe that we support the Police Department very much. Everybody really gets high, and we present them with awards, and we give them everything we can, but again, response time. And the response time I get where the people don't understand what happens after the response time. If the response time is more than whatever they complain about, it comes down to the fact that it becomes a legal matter, a civil matter, for them and they don't like it. They want the Police to carry the whole ball of wax with the rest, with everything else that needs to be done when they respond within one or two minutes to the complaint. If it doesn't, it becomes, like I said, a civil matter. A civil matter costs the people because a complaint to us that the Police Department is not doing their job. That's my, and I still think the infrastructure needs a lot of work. I feel that by doing the infrastructure that we clean up a lot of the complaints that the Police Department has to respond to. You can cover it with three people per shift after you complete your infrastructure to where there is proper lighting, proper signs, proper everything out there, you know. You just can't do it without it. Why respond late if you're going to have poor lighting, you know, the traffic is horrendous that people are doing crazy things driving now, and you're going to have wrecks and everything else if you don't fix the infrastructure. It's like the speeding signs and that's just an example. You've got to show the people that something is being done in regards to the infrastructure, because just like you pay on the Police Department, it's not going to work. It's not.

Acting Mayor Rogers: Mr. Mayor, I'd like to speak to that.

Councilor Valenzuela: Sorry, isn't the Mayor trying to get funds from PAG and RTA for that type of infrastructure?

Mayor Diaz: Yes.

Councilor Valenzuela: Ok, so that would take care of most of that funding for infrastructure need, but also they are asking for a better and safer Police Department and that requires an investment, so I think that fund should go there.

Mayor Diaz: You heard that the Police Department are 50% are with less than five years. What's going to happen if you give them raises? They're going to do the same thing. I don't understand that. It's the loyalty that we had before and now we don't have loyalty to the Department. We have people that are just looking for wage increases and stuff and not, I believe in that, yes, but it has to be more than that. It has to be the love of the City and you guys are, yes, Police are very important, again, but again, the people want to see the infrastructure fixed.

Vice Mayor Lopez: Identify the point you mean by infrastructure, you keep on mentioning that word, but identify. What are the issues that equal that infrastructure, or your infrastructure.

Mayor Diaz: The alleys, the streets, the drainage,

Acting Mayor Rogers: I have one, big time.

Mayor Diaz: Everything that is required. The signs, the street signs, lighting, it just keeps going. I mean, trash collections, the City of Tucson does it. Right after they leave the wind blows the stuff all over the place and they end up between the,

Vice Mayor Lopez: Are you blaming it on the City or blaming it on the people that live in the City?

Mayor Diaz: Infrastructure needs to be cleaned up. The streets, if the streets were clean that wouldn't happen.

Vice Mayor Lopez: Alright, so, let's be realistic. So we need more Police Officers to help our community be safer.

Mayor Diaz: You're not getting them, you're not getting them.

Vice Mayor Lopez: At the same time, we also need additional workers for Public Works so they can clean up and maintain the City.

Mayor Diaz: Do you see that here?

Acting Mayor Rogers: No.

Vice Mayor Lopez: Has it ever been brought up?

Mayor Diaz: Yes, it has.

Vice Mayor Lopez: I don't recall any of this. This is the first time you mentioned the word infrastructure.

Councilor Flagg: Maybe we should talk to the head of Public Works.

Acting Mayor Rogers: I haven't been able to speak.

Vice Mayor Lopez: Ok, go ahead, Rita.

Acting Mayor Rogers: Ok, thank you, Sir, if I could please speak. Last time it was the phone, then it was Brian. We go through Mr. Mayor. Mr. Mayor, may I please speak?

Mayor Diaz: Yes.

Acting Mayor Rogers: I have a very specific letter that Angel might be coming up to speak, but anyway, I've been going through different historic things of what I have been studying about the fire back in 2018 and different things like that, and I've been here for the budget for 2018, 2019, 2020, 2021, 2022, and now 2023. And the one thing I ask for is for the signs to be on our City so people want to live here. And they're still all gone, I count them, and I count them, and I count them in the 1.2 mile City. And you don't know if it's Roosevelt Road and 2<sup>nd</sup> Street or 5<sup>th</sup> Avenue or whatever, they're gone. And I don't think it's real cool for new Police to try to figure out where 4<sup>th</sup> and 6<sup>th</sup> and stuff is with the signs gone. So that is all to me what he is talking about. Why in 2018 until now could I not get street signs? It's not a lot of money. I could actually start the thing myself and Angel would help me.

Councilor Flagg: Hey, Mayor, could we ask the Public Works Director to weigh in on it?

Mayor Diaz: Yeah.

Councilor Flagg: Ok.

Mr. Angel Lopez: Mr. Mayor, Mayor and Councilwoman. I'll start with your question. I could give you a couple things of infrastructure, I would let you know exactly what it is. LED lighting along 5<sup>th</sup> Avenue and LED along major corridors. I'll let you know it was a lot of money and within our terms, otherwise it would have never been done. Infrastructure on sidewalks, we have maybe 18% total, but the cost of that was \$65, \$70,000. Our crew would have taken care of it for less than \$12,000, that's infrastructure. Signage, I cannot help you with that. I think a lot of people pick them up and sell them for whatever it's selling for, but I'll tell you what, we're working on that now, we're working on speed limit signs with TRP and hopefully will get them for major corridors. So that's what I can tell you, with TEP, with the community, we're involved with the LED lighting, not only is it better lighting but a lot of savings on the cost. We had the low-pressure sodium, now LEDs in the community on major corridors. If that's not infrastructure, Mayor, I don't know what is. And that's talking about five, six guys that we have, not 17, not 20, but five or six guys. We do a lot of work.

Mayor Diaz: Street sweeping?

Mr. Lopez: We don't have that. We don't have a street sweeper, we've been asking for it.

Mayor Diaz: That's what I'm asking.

Mr. Lopez: Mr. Mayor, I'm not, I'm going to tell you something that's very important to hear, you're talking about longevity, I'm going to scare a couple people in here, I've been here 45 plus years. I know this place inside and out.

Councilor Flagg: Damn.

Mr. Lopez: And I could tell you this, homeowners, especially homeowners are very clean people for the most part. Right now we have problems because they moved everything to the alleyways but it seems to get better and better, but I said it before and I'll say it again, we have to take them to court to start to clean it up a little



bit at a time. And I'll tell you, when we can't work but we have to do this, we have to go out there and get it done.

Mayor Diaz: So you're really, what I hear you attempting to do is that everything is that everything is on schedule, and you are going to work on the infrastructure as far as what I call the alley, the street sweeping and all this other stuff, the lighting and all that, is that what you are saying?

Mr. Lopez: I can tell you what I am saying, Sir. The lighting will be done, the next few weeks, 10<sup>th</sup> Avenue. I don't just talk about it, Sir, I get it done. I welcome every single one of you guys, I just don't have, my crew has been taught welcome your trade to the best, we're trained not to talk about it but get it done, get it accomplished. I just can't tell you about it, I have to show you, go down 6<sup>th</sup> Avenue, 6<sup>th</sup> Avenue is done, 36<sup>th</sup> is done, 4<sup>th</sup> Avenue, 29<sup>th</sup>, is done.

Mayor Diaz: Ok, I understand, and it is also reported on the newsletter that was out that this stuff is being done.

Mr. Lopez: Right.

Mayor Diaz: But the people are complaining about the weeds on the sidewalks, everything. Every time it rains the litter gets down the middle, 36<sup>th</sup> Street has that mud thing in the middle of the street that lasts until the wind blows it off, and that's what I'm getting at, is that we need to see a clean City, and I'm not blaming you. I'm saying that we need the money to expend it to you, to send the money to you and the employees so this gets done.

Mr. Lopez: I appreciate that.

Mayor Diaz: That's all I'm not saying.

Mr. Lopez: I appreciate that, Sir. I'd like to tell you, Sir, what I'd like to say is that the homeowner takes ownership, and for example, your house is Mr. Lopez' house. Take ownership. You take ownership, it's a copy-cat effect and people will start to follow. I cannot go, and I said this before, weeds, we will vacuum it and make it look almost like it's vacuumed up. The next day, everything's thrown back, it's almost like they don't like that, and I can't continue doing that because I have a (inaudible) roof, and right now we're also workign at that, but we continue to need a handicap ramp, taking out a total of ten trees. All that work is a lot of work, Sir, for five or six guys it's a lot of work but we work to complete it in one week.

Mayor Diaz: That is what I'm saying is that you need the people, and you need the money to do this with. That's what I'm saying.

Mr. Lopez: You're right, Sir, with more people we could do a lot more than what we're doing.

Mayor Diaz: That's what I'm saying is that you do need it.

Mr. Lopez: We need it.

Mayor Diaz: You need it. The fact that we're doing, we can do half of it to the Police and half of it to him, that was the option.

Councilor Flagg: I would like to just to move things forward, I'd like to put it out there that we do, what is it, \$3,000 for a stipend, a one-time stipend, for the Police Department, and then go from there.

Councilor Aguirre: Yeah, I agree, I'm in agreement with that.

Mayor Diaz: Thank you.

Councilor Flagg: Does that sound right to people here or any comments on that?

Acting Mayor Rogers: We're not voting.

Vice Mayor Lopez: I believe that we should raise the salary for the Police Department because again, I did my own research here and it's pretty embarrassing when an individual works with TUSD as a security officer makes more money than my Police Officers in this community here. Now we're talking about maybe a \$3 or \$4.00 difference, but you know what? That is going to tell me one thing, I'm going to try to attract the best Police Officers that come to work for this community, or else they are going to quit their job and go work for TUSD because they are going to make a lot more money and a safer environment. So, something to think about, and at the same time, Mr. Lopez and his crew need some more employees, upgrade their equipment. It's not just, you know, the infrastructure, we've got to have our own internal opportunities to take care of ourselves in order to take care of our community, you know. We give Mr. Lopez equipment and employees, and Police the same thing, and then let them reflect on how it affects the community.

Mayor Diaz: I think that we are suggesting a \$3,000 stipend and not the rest of the money go to Public Works, but some of the money go to Public Works.

Acting Mayor Rogers: And it's just a study, that's why we're here according to our agenda.

Ms. Aguirre: Yes, Mr. Mayor, Members of the Council, it is to gather your guys' input, gather what the consensus is so that I can then calculate it and give you the estimates, ok. So at this time, I like the idea Councilor Flagg and Councilor Aguirre made. I think you all on the Council might as well, of the \$3,000. How is this idea of giving a portion in December and the other portion at the end of that other six months in June to entice people to stay for the first six months and then stay here an additional six months.

Councilor Aguirre: And then stay another six months.

Ms. Aguirre: Well, that's an idea, Mr. Mayor.

Mayor Diaz: Yes, I agree.

Ms. Aguirre: TUSD actually does it that way.

Mayor Diaz: Right.

Ms. Aguirre: They did it that way, they did \$2,500 at the end of the first semester; you stay here the first semester, you stay here the second semester, you get the second stipend.

Vice Mayor Lopez: I've got a question for Mr. Lopez. Is there a probationary time frame when you bring in a new employee to the City? Like six months' probation, a year probation?

Mr. Lopez: It's six months to a year.

Vice Mayor Lopez: Chief, what about your officers? Do they go through a probationary period after they are done with their training and everything?

Chief Denogean: Yeah, they're on a year probation, Sir.

Vice Mayor Lopez: Ok, and how long is that probation? A year?

Chief Denogean: A year.

Vice Mayor Lopez: A year? Ok, well, that gives them plenty of time for them to, willing to where we can raise up the value of Public Works and the workers and the equipment and the Police Department, and then from there, hopefully, just let it take its own route. See how it affects the community. And at the same time if people are complaining about the same issue and issue and issue all over again, you need to let the people know that are working for us that these issues are continuing to come up, Mr. Mayor, since you are the one bringing up this issue. So let them know so we can work together on expanding how we think and how they are going to implement what we're thinking and want it done.

Mayor Diaz: That's fine. The budget is public and is on the thing but the discussion is not. So the discussion can be the newsletter that's out now, some of that discussion can be on there for the direction the City wants to go.

Councilor Flagg: So to move things forward, can we all kind of agree to do \$3,000 and do it in two different payments?

Acting Mayor Rogers: On a Study? I don't see it on the agenda.

Councilor Aguirre: I agree.

Ms. Aguirre: It's just for consensus and direction, there's no vote.

Councilor Flagg: Yeah, we don't vote now.

Ms. Aguirre: Consensus, general consensus.

Councilor Flagg: Yeah.

Ms. Aguirre: Ok, thank you all. So with that said, \$3,000, that's \$51,000 covered by that \$70,000 savings in equipment, then \$19,000 remaining in savings, we put it towards Public Works to cover any needs, so they can address infrastructure needs with \$19,000.

Mayor Diaz: Yes, yes. Thank you.

Ms. Aguirre: Ok, wonderful. So I went ahead, and I did add an additional line item on my computer here for Mayor and Council priorities under #4. Under #4 I put in Public Works, \$19,000 for infrastructure needs and I also put a negative under that.

Councilor Aguirre: I'm sorry, what was the amount?

Ms. Aguirre: \$19,000, and so I put a negative \$19,000 under that to show that it's coming from money that is already in the budget.

Mayor Diaz: I'd like to make a correction, though. How many of the Police are retired police and working for South Tucson percentage wise?

Ms. Aguirre: Retired?

Mayor Diaz: Retired and working.

Ms. Aguirre: Retired and working? We have approximately, well, retired and working as Reserves, we have two, two vacancies, and retired and working, two on our full time. Two retired Police Officers on full time.

Ms. Moreno: And three on Reserves.

Mayor Diaz: And two full time. And the staff is 14?

Chief Denogean: The staff is 15, but right now we are at 13 full time.

Ms. Aguirre: They have two vacant positions.

Acting Mayor Rogers: Two are resigning in August.

Mayor Diaz: Mr. Lopez, how many employees do you have?

Mr. Lopez: We have a total of six.

Mayor Diaz: Six? And do you have any under five years?

Acting Mayor Rogers: Yes, that Indian person.

Mayor Diaz: How many do you have?

Mr. Lopez: Three.

Mayor Diaz: Three under five years? So that means three that are over five years?

Mr. Lopez: Yes.

Mayor Diaz: Ok, thank you.

Ms. Aguirre: Four, four, that are over five years in Public Works and the other two are new.

Mayor Diaz: Are what?

Ms. Aguirre: New.

Mayor Diaz: Ok, thank you.

Ms. Aguirre: Alright, so moving along, I want to recap just really quick, we've got \$1.00 increase to Police personnel at a cost to the General Fund budget of \$23,000, \$23,384. Then we have employees City wide, including Fire Reserves, but excluding Police personnel, Police uniformed personnel, at a total expense to the General Fund of \$23,140. Then, we've got the recommendation for \$3,000 stipends to be split up in two installments to Police uniformed personnel at a total cost of \$51,000, all to be covered by their savings. So, no additional expense to the General Fund. Then we've got retention stipends for classified employees, or I should say for permanent employees, all City permanent employees, of \$1,000. This excludes Police because they are already getting their stipend and a raise. That's our cost of \$22,100. We removed the police vehicle out of the equation, ok, removed it. That was at \$70,000, but we removed it because the Police Chief and his staff are going to be submitting for a grant application. We went ahead and included under Mayor and Councilor priorities, we included Public Works infrastructure. Nothing really specific, but the savings from Police equipment, \$19,000. So that is at no additional cost to the General Fund. Then, and so now we can go

on to option line #10. Option line #10 has to do with the need for a vehicle, consulting/policies upgrade. A couple of years ago the City of South Tucson Police Department used to contract with, I believe she was an attorney who used to take care of updating policies for police departments. That contract went away a couple of years ago, but now is an option for a company by the name of Lexipol. The cost that I have here, initial cost for the software is \$30,000. However, the Chief's recommendation is to utilize RICO funds to cover that initial cost. What the City will have to pay going forward is the annual subscription or maintenance fees to that software company. So the start up cost is \$30,000 to be covered by RICO and then every year thereafter the cost will be \$10,000 to the General Fund, which in my opinion is very reasonable given that the cost of employing or consulting was much, much more expensive than \$10,000 a year out of the General Fund before. This is a really good route.

Councilor Flagg: I don't see why this is important. Can you tell me more? I mean, if you're a professional you subscribe to the journals of your trade and you're smart about all that stuff, and I don't know.

Chief Denogean: Councilor, every Department has a policy and general orders book. Basically the City of Tucson, they dedicate a whole unit basically to work on general orders and policies.

Councilor Flagg: Really?

Chief Denogean: Yes, because you have your use of force, you have your pursuit policies. Those are like two major things out of 1,000 pages, but I bring those two up because those are the things that get Departments in the biggest trouble or get them sued. And there is constant things going on around the country, constant things going around Pima County, where we have to adapt and change our policies and go with what's going on around the nation to make sure we are in compliance with those things. It is a very tedious and big task. Many other agencies contract with Lexipol. Some of these smaller ones like Pima Community College, Oro Valley, and that's all they focus on is doing that, because basically, that is a full-time job for just a few people. And we don't have the time or personnel to concentrate on that when we are just trying to focus on making sure we have officers on the street and getting done with all the other administrative stuff we have to do. And basically what it's out there for is to protect the cities from lawsuits and make sure our officers have the proper training and that they are adhering to the proper training because now under the general policies and orders, it also provides every officer has to do a certain amount of training per year. Some of it is practical training, but some of it is online training, book training, that they have to do every single year, and that's another component that would be in there and keeping up with what's going on in trends in the counties and in the nation. It's a very important thing that we need to do.

Councilor Flagg: And it's a normal thing for, say the Pima College Police, the Oro Valley Police?

Chief Denogean: There's not an agency that doesn't have some type of policy. The U of A has it. And I just mentioned a couple, and these are the two of the biggest things that get Police Departments in trouble, use of force and then Code 3 driving, which is driving with your lights and sirens on, or pursuits, which like in South Tucson we try to avoid pursuits like the plague because nothing good ever comes out of a pursuit, in my opinion.

Councilor Flagg: Yeah, yeah.

Chief Denogean: So if it's where we've got a guy that's committed a homicide and he's just shot three people and we're there and we see him, that's something we will pursue on, but other than that, very, very rarely are

you ever going to see us pursue, because the danger to innocent people out there is just too great. I've seen cases in trainings where you've had families wiped out, kids wiped out where an officer is driving Code 3 to a domestic violence just because a parent can't control their two kids, and that's no reason why we should be doing that, and that's why you have policy, because too many innocent people in this country have been killed because of that. When that happens, guess what happens. The City gets sued for millions and millions of dollars. So those are the kinds of things the policies and general orders basically address.

Ms. Aguirre: Thank you. So with regards to this item, of course, when it was put on the list it was a need; however, at this time we know we have available funding through RICO which the Chief wishes to utilize, so I will move that out on my tally here because it's not an additional expense to the General Fund.

Councilor Flagg: Which one?

Ms. Aguirre: Line #10, because that will be covered by RICO, no expense to the General Fund.

Councilor Flagg: How are we covering it now?

Chief Denogean: We don't have it now. We do have a current set of policies that we have, but they need to be updated and kept in with the current status of what's going on in the country. There's always constant updates that need to be done, revisions and all those kind of things. Ours really haven't been revised in many, many years.

Councilor Flagg: Ok.

Chief Denogean: We used to hire an attorney, Bev Jung, the lawyer she was talking about, and she was a legal advisor who worked for the City of Tucson many, many years, and then she went to independent work, and she would do that for several agencies, create their general orders and make sure their updates were continuously updated in there.

Ms. Aguirre: Thank you, Chief. So item #10 will not impose an additional expense to the General Fund. The next item on here is item #11 and this one pertains to my Department. My request to Mayor and Council is just for enough funding to convert a current vacant part-time position to full-time, the reason being for that is there is just a lot of volume that we handle and so it's also difficult to find personnel at part-time especially at the rates we offer. Typically at the rates we offer, it's more attractive for people who want to work full-time. So that's one of the reasons for my request. We do need the help. We do what we can but often you can see I'm running a little bit behind in getting you all reports and so we would be able to stay on top of things in a more timely fashion. We get everything done, it's just behind a little bit. So the cost for that is \$9,000 and that's to move a person from approximately 30 hours a week to 40.

Councilor Flagg: That's not you, is it?

Ms. Aguirre: No, I'm not, no. I'm full time. But I do have three positions in my Department. There's myself, another full-time employee, and I have the part-time position and that's the one I'm looking to really make it full time. So the cost for that is \$9,000.

Councilor Flagg: So somebody making part time is only making \$9,000?

Acting Mayor Rogers: No, 30.

Ms. Aguirre: Mr. Mayor and Councilor Flagg, no. It's \$9,000 to help make the position full time.

Councilor Aguirre: She's doing 30 and they're bumping her to 40.

Councilor Flagg: Oh, ok, gotcha.

Ms. Aguirre: It's an additional ten hours a week for the entire year.

Acting Mayor Rogers: Yeah.

Ms. Aguirre: I've held off that request for a long time.

Acting Mayor Rogers: That's good.

Ms. Aguirre: The next line here, option line #12, has to do with software for the Police Department. Now this was not by the Police Department, this was actually brought up by the Courts. And in our discussions with the Courts, they understand the situation, we're all trying to work to do what we can, however, they said if we can look into the software for e-citations for Police it would help on the Court side because they currently manually enter all the citations into the system. And so this would help make the process more efficient on Court side. It would also help assist the Police Department with the readiness of reports as well as how legible they are. The cost, at first when we discussed this with Police, the reaction was, well, it's going to be very expensive, you know, and we have other needs. My request to Police was, can you please just get us a quote. Just get us a quote and then we will worry about it later. We just need to know if there's tools out there that we need, that we could use, we need to know how much it is going to cost so that at one point we could save up for it.

Councilor Flagg: \$20,000 bucks?

Ms. Aguirre: Here's the thing, here's the thing. Commander Navarro did some digging. He spoke to the right people. The software is free.

Councilor Flagg: No it isn't, it's \$20,000 bucks.

Ms. Aguirre: No, no, no. The software is free, and it would be used on the computers. It's the same software the City of Tucson uses; however, the cost of the printer that gets plugged into those laptops, that's the one that would run about \$15,000. I put \$20,000, but it would run about \$15,000, about \$1,000 each.

Commander Navarro was talking to someone at DPS and with the Governor's Office of Highway Safety, who issues grants. He was explaining the situation to them, and they told him to submit the application and the chances are pretty good that you will get that all paid. So for right now we can cross that one off.

Councilor Flagg: Good.

Ms. Aguirre: Because they are going to work on obtaining the software and printers through grants, but we will still be able to achieve the same results and all move forward in a more efficient manner, you know, more into the 21<sup>st</sup> century. But at zero cost to the General Fund.

Councilor Flagg: I have a question. Oh, there's the Chief, it says for ticket writing, citations. I mean, I don't know, I'm not on your force, I'm not one of your cops, but it just seems to me that you guys don't write that many citations, do you?

Acting Mayor Rogers: None.



Chief Denogean: Well since I've taken over about a year and a half ago, we have bought four new Lidar guns, so we're putting two people on a shift. We had to put an emphasis on writing some more tickets prior to that.

Councilor Flagg: Traffic tickets?

Chief Denogean: Yes. Do we write a lot? No, but we're, we do more than used to be. I would say doing more than used to be done, so is it a tremendous lot, no, but we have folks, especially we get complaints about 10<sup>th</sup> Avenue or when we have had some of the accidents on 6<sup>th</sup> Avenue and 27<sup>th</sup> Street, then at least the next couple of days we try to get out there and do some tickets and do some traffic stops. So not every traffic stop that we make do we write a ticket. There's quite a bit of traffic stops we get where we just give warnings and educate, because the goal of the traffic stop, the main goal is to educate the person on what they're doing wrong and try to correct their behavior, whether that is through a warning or through a traffic ticket.

Councilor Flagg: Do you ever write a non-traffic citation or is that, do you write one a week or one a month, or

Chief Denogean: You know, there are warnings, but I haven't seen any paperwork for just a warning here, to tell you the truth.

Councilor Flagg: Yeah.

Chief Denogean: So I think most of our warnings are verbal. I know DPS, they have a stack of warnings they give all the time, but their main goal is traffic. Our main goal is responding to calls and then, I'm a big believer that traffic is important and that we try to do traffic and reconvene, because when people pass by and they see a car pulled over, they slow down. There's also studies that show that when you do traffic in areas, it tends to decrease the crime a little bit because they see Police, they see the lights going there, and deterrence is a big deal in my opinion.

Councilor Flagg: Yeah.

Chief Denogean: And that's what that's all about, you know, deterrence and keeping people behaving and doing the right things.

Mayor Diaz: Was there a question related to the cite and release to people?

Councilor Flagg: No, it's just like citations, like how many of those do we get.

Mayor Diaz: So what

Chief Denogean: We write a lot of citations for our shoplifting calls, for basically minor assaults, criminal damage. So for misdemeanors, a great deal, instead of taking people to jail, we write a lot of citations in that way, too.

Councilor Flagg: Ok.

Chief Denogean: So, there's a lot of stuff that goes on. When we take people to jail, first of all for a misdemeanor, times have changed where they're not keeping people in jail overnight for your minor situations anymore. It used to be yeah, you might spend a night or two in jail. Now the political climate has changed, but there's also a financial thing to that, because we take someone for shoplifting at Circle K or Walgreens, and say it's just something minor, and we put them in jail and they spend the night over there, we're going to spend a great deal of money for that.

Councilor Flagg: Right.

Chief Denogean: And you want your people for, there is a great argument there about consequences, but you want to save that for some of your more serious crimes.

Councilor Flagg: Right, right.

Ms. Moreno: I wanted to comment, just because I am looking at the operational side of it, because Court staff, I mean, they were a big supporter of this system kicking into place because it will help streamline their work and it will be less manual input.

Councilor Aguirre: You're talking about e-tickets and stuff?

Ms. Moreno: Right. This will be done in a way that you will be able to do it now will be able to help the Court streamline the way they do their day-to-day entry of citations and not have to manually type them in. It will already be done by the officer when he types it into the system and he prints it out, then support staff will already have it there in front of them. So there is a lot of time saving there, too.

Chief Denogean: There is time saving because the last time, I think you're right there, but you can scan a driver's license just right through, and it puts a lot of information in the ticket already. And then it also, you type in the citation code or the ARS Statute and that prints it out in the proper technique, in the proper thing, because when you put in a certain area it gives you certain situations to choose from, so it's easy for the officer to pick from what's the proper violation. I'm not a big fan of technology because I'm older, but we do need to move, as much as I hate it, into the future.

Councilor Flagg: That's great, no General Fund money for this.

Vice Mayor Lopez: I'd like to bring out an issue here that, Lourdes, I want to thank you for doing a good job with all of this information, but I think that there is something that we have forgotten and that was making plans on repairing the roof.

Acting Mayor Rogers: \$200,000.

Vice Mayor Lopez: And the reason why is because monsoon is coming around the corner and Mr. Lopez and company are the ones that end up doing the patching up work, so it's something we need to think about and add it on to the budget or I'm sure you've got it covered.

Ms. Aguirre: Yes, Mr. Mayor and Vice Mayor Lopez, it's in the budget already. We've got it in there under Improvements in Public Buildings. So we do have \$150,000 in there for that reason because we know, within the next month and a half we will not be getting someone in with an RFP to fix it. However, Public Works Director and staff do have plans to perform cleanup and maintenance just to hold it over the monsoon season. And then come some time in the fiscal year we will get all that straightened out to address the fixing of it. But it's already in your budget, ok.

Acting Mayor Rogers: Oh, good.

Mr. Lopez: If I may, we've actually been cleaning drains, the roof, trimming all the trees, and hope to be open by tomorrow. By the way, we do have a company coming in here to do some major, major, major preventive maintenance.

Ms. Aguirre: Very good, thank you so much. So that takes care of Department needs. So again, going down that list, \$23,300 for option #7, I'm sorry, option #6. Option #7 is \$23,140. Option #8 is \$22,100, and option #11, should you all be interested in that option, is \$9,000. The total sum of all those is \$77,624, leaving you if all this were implemented, leaving you all with \$123,000 for contingency, \$123,493. Now let's go back up to Mayor and Council priorities. We started with Department needs, we're going to go back up to Mayor and Council priorities. So one of the things not listed on here but I need to let you all know, it's extremely important, ok. So you all know the City was in desperate need of a City Attorney and Prosecutor. The current firm was able to provide service for both. We were able to work out an agreement with them to pay \$80,000 for six months because that's what worked within our budget. One of the things the firm told us was that they were going to be keeping track of their time and effort. They were not going to come back and charge the City for any overages. They honored the \$80,000, but one of the things I did notice is that they were putting in a lot more time in certain areas that were driving up costs. Now your budget for a City Attorney/Prosecutor position is \$120,000 in the budget, ok, \$120,000. Now the estimate that they have come back with based on their six months analysis would be \$120,000 for six months. The City Manager was able to work something out with them, and basically, what she said was, how about we do \$108,000 for the first six months, and we're really going to try to see whether we can streamline the process related to that driving force. What was driving the cost was the prosecutor's side. The prosecutor's side was the driving force on that expense. So that's why the City Manager mentioned, you know, let's give it the six months. We can maybe do \$108,000 but that still leaves you with not much, \$12,000 for the rest of the year, but if it could all be straightened out, streamlined on the prosecutor's side, then maybe that could reflect some reduction in their estimate for the last six months. City Manager, I don't know if you want to chime in on that.

Ms. Moreno: Yes, and thank you, Lourdes. You know, I observe things City wide and I like to make sure we're all focused and we're all trying to stay within our budget, and we all work together and hiring this new law firm I thought was a great thing. I still think it's a great thing because they are a firm, they come with expertise in all the things we have always needed special attention to. You know, we've had lawsuits over the years where we have to outsource specialty attorneys, and this law firm has the ability to focus on all those needs. Thank God we have no pending lawsuits, nothing in litigation, that's all behind us. Now as you can see from Lourdes' presentation, there's nothing hanging over our head with liabilities, so knock on wood, it's a great thing that you're able to discuss, do things for employees and all that stuff. So thank you Mayor and Council for thinking of the employees, the dedication, the hard work, especially I always think that Public Safety in my opinion, it's a priority. We need to make sure that our Public Safety is number one and officers are paid commensurate with what they do, because really, they come to work every day and have to wear a bulletproof vest. You couldn't pay me to do that, but they do and should get paid comparable wages. But this contract with the law firm, I could see, and I know Lourdes can agree with me, that it was a big change. It was a transition for the Court staff to change from having a person here physically as a prosecutor to transition to like, virtual. That, I'll be honest with you, was very difficult. It was very concerning to me personnel wise. I brought this up to the Judge. Needless to say, you know, working and talking and having meetings, sending emails and such, we need to do this, this is what the Council adopted, this is what we are going to do from now, let's make it work, whatever we need to do with changing what we need to do here internally to emails, to purchasing new equipment, whatever we need to do. That was a lot of back and forth, it was pretty intense several months there, it was kind of hot there. Finally it started to settle, and in that moment, that is where the cost went up. I had our conversation with the Judge and the Court Administrator, and I was very frank with them about what needs to be done with regard to making sure that we work with this firm because we

don't have any choice right now. Mayor and Council appointed, and we are going to make it happen, one way or another. So, with that being said, I did express to the law firm during this negotiation, I said, look, I know this is the rate you are quoting us for the next fiscal year, but I feel confident that you will move forward with the needs with regard to the prosecutor and the transition will likely be, it will be less. So that transition time, it's already settled. So I foresee, I hope, that the needs with the prosecutor will be what it was when we transitioned. What they did express to me, Mr. Justin Pierce, was that, you know, the City hired the law firm to be the City Attorney. The prosecutor service was added because we always had our own prosecutors here. So they said if the City desires to sometime in the future to look at a contract with another way, whether it be like hiring someone from the law firm, they would be ok with that. They would have to quantify it, see what the cost is and take it out of the contract. So they understand that that is always going to be an option, but for now, we're able to bring down the cost a little bit and I feel good that hopefully in moving forward, that change, that transition, will go on smoothly. So that's basically the background behind all that. So right now, so far, so good. I've heard nothing from the law firm regarding the prosecutor, things seem to be working out with things being virtual. I do need to get a Public Defender. The Public Defender's last day was April 30<sup>th</sup>, so I've already advertised, so it's the only thing we need now in the Court. Hopefully that doesn't set them back any longer and give me a headache, but so far we're ok. I think having this new software program will help a lot, too, get things done more quickly. Everything works hand in hand but as far as the contract and the cost, the City does need a good law firm to support it and I think right now you're well-suited with this law firm. So far, I'll give you my honest opinion, they have been very reliable, very dependable, the things that we had over twenty years, I'm being honest with you, twenty years, they were able to respond within the first 30 days of their contract. And these are pending items we had with attorneys in the past that we never got direction, so that says a lot.

Mayor Diaz: I have a question. We're talking about moving forward in regard to the Court, are we also going to look at, I guess the Judge said that the arrears in citations were 2,000 or something?

Acting Mayor Rogers: 2,500.

Mayor Diaz: 2,500?

Ms. Moreno: Yes, Mayor, I recall Councilor Valenzuela requested quantifying the caseload and let us see what is backlogged. I can't really speak too much about the Court because I don't do that day to day, but that backload, I think our cases have been sitting there for I don't know many years. I don't think they work on 25 cases per day, there's no way. But I think that is the total volume of cases that on the record, that at any given time, could come up. So there's active versus inactive.

Mayor Diaz: Right.

Acting Mayor Rogers: Mr. Mayor, I would just like to speak, as part of the Court I have been trying to help some people that have to be in Court, get them here, at least, etc. And I've been here twice and I very much notice the difference when there's, the last person who was in his office every day, Manny Amado would run down to see them every twenty minutes, etc., and then we had him there when we had different citations, the person would be there to handle, and the people there were very more listening that they won't do it again rather than by phone. Ok, so I've been here twice, and I'm helping another person try and get here, too. So for me, I am one of seven Council members probably who come to see how it's going, the difference. The difference has been, I know the people here like the City part or maybe didn't like the City part otherwise. But

it's one in the same person and one price and down the hallway to all the Firefighters and Police and everybody. So that's my report.

Mayor Diaz: Thank you.

Ms. Aguirre: That said, Mr. Mayor and Councilors, I'm not sure if you all would want to appropriate additional funding or account for it some way, somehow, out of contingency, so the budget for our City Attorney is \$120,000. We worked out \$108,000 for the first six months. That leaves \$12,000 only. Maybe we can revisit that in December and make changes at that point and maybe at that point in December, then you all would have a better idea of how things are flowing and whether there is reduced time and effort on the prosecutor's side.

Acting Mayor Rogers: And how much of that price is gas for Phoenix? It's not all gas? What is the thing that makes it go from \$80,000 to \$120,000?

Ms. Aguirre: Well, originally, Councilor Rogers, \$80,000 was an accommodation for the City of South Tucson to just be able to come on board because the City needed representation. And it's what the City had available to offer from the budget, so once again, we worked that down for the first six months and we were able to bring them on board. The \$80,000 was just what was available in the budget, and they took it, they honored it. But now, it's different now that they actually have taken record of time and effort. So I'm going to make a note that we discussed this and we will revisit it in December. So here sometime in June we will be having an agreement coming to you all because the six-month term to renew the contract is coming up, so we will be bringing the contract renewal, possibly for six months, to you for \$108,000.

Ms. Moreno: Lourdes, are we able to quantify, if I can get with the attorney, if I may, Mayor, what of that amount is for the prosecutor.

Ms. Aguirre: I'll have to wait until after the meeting to get that information. I will make it a point to ask the firm what portion of that estimate is the prosecutor. If there is a way the City can save money on that side, once we have looked at the process and the flow, then it will be brought back to you all for consideration. So a couple other things we want to go over under Mayor and Council priorities, so Mr. Mayor, during our recent discussion with Public Works Director, you were wanting to consider providing more staffing. Public Works Director I think mentioned that he can work, he's getting the work done, with the staffing he has. So I don't know if you all would like me to strike that portion off of this list.

Councilor Flagg: Strike it off.

Mayor Diaz: No.

Councilor Flagg: He's getting it done, she says.

Mayor Diaz: That's not the point.

Councilor Flagg: You don't have all the money in the world, though, bro.

Mayor Diaz: We've got to keep it, don't scratch it off.

Ms. Aguirre: Ok, so we will just leave it on and then we will get further direction from you. Ok, let's go up to option #1 and #2, the longevity, scenario #4 and #5. It's this little packet with the squares, and it's called the Benefit Scenarios. So scenarios #3-5, these have to do with the longevity study. This is one of the requests

Mayor had and I think it was a very good request because it really reinforces the last years, decades. Staffing has suffered reductions in salary, primarily because of the recession. We haven't quite recovered from that. What that means is a lot of employees that have been here for many, many years are very close in pay rate to those that are just coming in because we have to attract people to come in, so we have to offer competitive wages; however, wages for some of the employees that have been here for decades are very close. So I think what the Mayor asked for was very reasonable. We did get a couple of examples from different cities and towns from across Arizona. And to be honest with you, a lot of them in their policies have the schedule or the wording for longevity pay, their model, they say to be awarded at Mayor and Council's discretion depending on budget availability because, you know, we are cognizant that it's an expense that if implemented could be a long-term expense. Some of the jurisdictions awarded stipends and others did it based on percentage, like a percentage increase. Some of them did it at eight years, but right now with half of your staff, half of your personnel, being here for less than five years, I think you need to get them to at least five years. I think the incentive needs to be at five years instead of at the later years, like other jurisdictions that offer that, starting at 8 and 12 years, we would offer that at 5. So that is one of the reasons why I worked with this first scenario, scenario #4, this way. This basically tells you that once employees reach five years of service, they would get a 2% increase for longevity pay. When employees reach ten years of service, they get another increase, a 4% increase for longevity pay. Now, you're starting off from scratch, so what this scenario #4 does is that it gives you the cost of implementing these increases right now for the people based on where they are at now. So an employee who has been here for five years already would get the 2%. For someone who has been here for, I don't know, twelve years, would get the 2% and would get the 4%, just to bring everybody up to speed so you can start with a program like this. The all-in cost would be \$67,000 to start. And you can see, I boxed them in, you can see what it would cost for those people, the new employees who are reaching five years or reaching the ten years. So the cost to start in fiscal '24 would be \$67,000 initial cost. In fiscal '25, the people reaching those terms, the cost would be \$8,900 added to that. Fiscal 2026, the cost of the people reaching the five or the ten years would be \$5,400, and so on and so forth, as you can kind of see on that table. But I did draw all of the expenses from the initial, from fiscal '24, out because you need to know that if you implement it in fiscal year 2024, anybody who gets an increase, let's say that example of the employee that's been there 11 or 12 years and gets the 2% for having been here for five years, then gets the 4% for reaching ten years, that is going to be a part of their salary in fiscal '24, and it's going to be a part of their salary going forward. So it's a long-term expense that you need to account for.

Councilor Flagg: But you don't know what the long-term revenues are, right?

Ms. Aguirre: In fact, that's a very good point, Councilor Flagg, that's a very good point. Ok, so that's one scenario. In my opinion, it's a very rich scenario, it is a very rich benefit at five years, and again at 10 years, very rich. Now, scenario #5 that you see right there, the next one, that one is based off again, a stipend model for longevity. The other stipend was for retention. This one is for longevity. Ok, so now, this is based off one of the examples that I saw from one of the cities. Basically, what they do is for every five-year term that an employee has been there, the employee will get \$500. Let's say an employee has been there for ten years, so it would be \$500 time two. So they served for two five-year terms. If they have been there for fifteen years then it would be \$500 times 3, \$1,500 stipend. So every time you complete five years, they get the number of five-year terms times \$500, if that makes sense. Now to implement that in fiscal year '24, you would be giving credit to the tenured employees, the other less than 50%. You would be giving them credit for years of service at five and ten years, no, not at every five and ten, for every five-year term. The cost would be \$23,000 to implement in fiscal '24 and the average cost of maintaining that program would be \$9,000 a year average



based on that \$500 stipend model. Now if you wanted to make it more than \$500, if you wanted to make it \$600, we can calculate those. Councilor Flagg, you brought up a very, very good point. We don't know what the revenues are going to look like, so for that purpose, and thank you guys for sticking around, I know it's late, but I put together a five-year model. I'm going to hand this out to you all. For this project, what I did was I went back to 2018 and for every single year I looked at the trends for all our expenditures, for all our revenues, because I wanted to have an idea of what percentage rates to use for revenue trends and for expenditures trends going forward. Just an idea of what can we potentially look at in five years. So that said, I broke down everything into classifications, so you've got your revenues, right, and then for your expenditures, you've got your fixed costs, which are those costs you can't do anything about really, because you have contracts, you have a bond, you have leases, professional services, you have settlements that we're still paying on, and you have state mandated fees. Then you pay for Fire, cancer policies, PSPRS and the Department of Revenue for their services. Then we have personnel costs. We have discretionary costs now, if we need a credit anywhere, discretionary costs are a good place to start because maybe we can reduce the amount of some of the supplies we order, as an example. And variable costs, which are on page #2, are other operating costs that fluctuate, example, the cost of fuel, that fluctuates. Example as well, operating repairs on vehicles. You all know what you are going to get, you don't know how much you are going to spend, so they're variable, they can fluctuate. Other things that fluctuate, utilities. Hopefully, they go down with our analysis that is coming up. So this is how I broke all these things down. Now let's go over this because I think it's going to jog your memory. When we started the baseline budget process, one of the things I mentioned to you all in an outline was some major challenges that I was looking at and that you all should be aware of, major challenges, one being in intergovernmental revenues. It's highlighted there for you because starting in about fiscal '27, '28, around there, '29, we're going to start seeing a decline in income tax revenue. That was one of the things we mentioned to you in March. So I only accounted for 6% increase year over year in total intergovernmental revenue. Now this could play out differently and it could be better than anticipated, but I'm being conservative. The next concern that I pointed out to you all back in March was our payment on the bond. So in 2019 when we refinanced our \$6 million bond, we were able to get some savings from that, we cut the interest rate in half, and we were able to reduce our payment from \$600,000 to \$400,000 for about four or five years. So if you look here where it says 2019 bond, after next year that payment is going to go back up to \$600,000. So that's why I highlighted it straight across at \$600,000.

Mayor Diaz: But you're in the process of refinancing again, correct?

Ms. Aguirre: No, Mr. Mayor, that specific bond we plan on leaving alone. It's already at half of what the interest rate was before, so we already achieved major savings on that bond. Now we just need to pay it all off.

Mayor Diaz: And this one here there's no refinance on this one?

Ms. Aguirre: On the 2019? No, the recommendation is to leave that one alone. What we want to try and finance through bonds is the pension debt which we talked about, but that's a separate bond issuance.

Mayor Diaz: But it's not on here.

Ms. Aguirre: That one is not on here yet, no.

Councilor Flagg: It's an idea.



Ms. Aguirre: It's an idea and yes, things that were contingent on we will be moving forward with that. Financial advisors want to see that we have a handle on our expenses, that we have been able to reduce our liabilities, so at your all's direction with regards to the Fire Department, that's one piece of the puzzle. Now, if the City is able to finance bonds and pay off the debt with PSPRS at a lower interest rate than 7%, right now interest rates are high, so we have to wait for it to come down. But if we are able to achieve savings, then we could stabilize our payments going forward. Those payments are the ones that we see, it's the third highlight. So look at personnel and retirement, do you see where it is highlighted?

Acting Mayor Rogers: Yes.

Ms. Aguirre: Fiscal year '27, fiscal year '28, those increases are pretty consistent with the ones we've seen in the charts from Stifel. Remember, we're looking at a really big peak coming up in those years. So if we are able to finance the payout debt, we can stabilize the payment, reduce that payment, and the savings that you obtain would help you continue to pay for the Fire service, that \$600,000. So that's on the radar. We still want to work on that, ok. Another thing to bring to your attention, ARPA. It's in red. So ARPA, if you all continue to use it the same way that we used it last year, or that we used this fiscal year and that we're planning to use next year, you stretch it out because there were two installments of \$900,000. You could essentially use it through fiscal year 2026. But then I highlighted it there, that money is going away, it's finished. So these are all the things I wanted to draw your attention to that are very significant to our budget. Now, under discretionary equipment improvement, do you see there, where I grayed it out, on this estimate, on this projection, I reduced it from \$409,000 because that \$409,000 contains the one-time money that we gained to Police, the \$200,000. You remember?

Acting Mayor Rogers: Yes.

Ms. Aguirre: The one we were just talking about. So, in fiscal '25, that one had no monies either so that's why we reduced that down.

Acting Mayor Rogers: That's what it means?

Ms. Aguirre: Well, that's what I made it mean, for purposes of this.

Acting Mayor Rogers: That explains the grays.

Ms. Aguirre: And we just keep it, we keep it static as if you continue to fund all the Departments with equipment going for \$200,000, ok. Turn to page #2, contingency. Now, in this year you got contingency in your budget for \$392,000 but that is covering \$191,000 for the rear loader, but assuming that you all going forward reduce it to about 1/3 starting in fiscal '25, to 1/3 of that level. From fiscal '25 through fiscal '28, look down below where you would be ending up. So all of a sudden, and these are numbers you are familiar with, in fiscal year '23 you would have a net position, so this is this year, net position of \$644,000. That's the one I told you all that you would have savings come June. You are going to have that savings and then I recommended to you all, use that \$600,000, put it in contingency for next year because if you all need it for your Fire service, direction, operations, whatever, you'll have it there, that \$600,000. Because in next year's budget, the way it sits, it has a deficit of \$48,000. And we just discussed how we can remedy all that, in that summary page that we went over, the breakdown page. So essentially you can see where you would wind up in fiscal year '25 all the way through '28. The cumulative net position of all of those would be \$566,000 surplus. But not really, because if you use the \$600,000 next year, then you're flush.

Acting Mayor Rogers: We need a grant writer.

Ms. Aguirre: The reason why I wanted to bring this to your attention is because these are very important issues that we are going to be facing in the coming fiscal years and with revenues remaining status quo with no additional revenues coming in, then this is what we would have to do in order to be able to ensure that we balance at the end of five years. Of course, the budget is fluid. Your revenues, you know, could turn out better than we anticipate, but we do have to start off with a projection and then modify it as we go because we don't want to find ourselves in a predicament where we make a decision now that commits us long term and there's no money to cover it.

Mayor Diaz: I have a question. Back to the health insurance, I see that it is 5% increases to there. Is that our cost or is that employee cost?

Ms. Aguirre: Mr. Mayor, that's the City's cost.

Mayor Diaz: And the employees, they got an increase also?

Ms. Aguirre: No, Mr. Mayor, this is actually, and thank you so much for bringing that up. So this fiscal year we will be experiencing an 8% increase in our health insurance premiums, but it is nowhere close to where previous years' quotes have come in at. They've come in at 15%, they've come in at 20%, 25% in prior years. And that all has to do with utilization. Utilization, claims, the usage, you know, if there's employees on the policy that has certain needs, it drives the cost up. And so, we have been able to find ways, to come up with ideas of how to still give employees a good benefit, keep them whole. Even though we have experienced those increases they have not been passed on to the employees in the sense that you all, Mayor and Council, have given employees merits and stipends and increases. It would be counter productive to then take it away with an increase in health insurance. So the City has absorbed this. So, I'm being fairly conservative at a 5% year-over-year increase, but this is the City's expense, Mr. Mayor. Employees have not experienced an increase.

Mayor Diaz: Ok, thank you. The other one is back to scenario #4.

Ms. Aguirre: Scenario #4, ok.

Mayor Diaz: Right now there's current, again, Public Works has four over I guess ten years, and Police have two. So where does this come out at, say for example, the 2028 at \$17,000 actual cost?

Ms. Aguirre: So Mr. Mayor, the actual cost in 2028 would be \$105,000.

Mayor Diaz: Right, ok.

Ms. Aguirre: The \$17,000 -

Mayor Diaz: For the six people we're talking about?

Ms. Aguirre: No, so the \$17,000 in fiscal year 2028 would be the cost of whoever is reaching the five years and the ten years.

Mayor Diaz: You don't have that many, I mean, if you have four, and I'm really concerned say for example, the Manager, she has over 20 years.

Ms. Moreno: I have 29 years, Mayor.

Ms. Aguirre: She said 29, Mayor, going on 100.

Mayor Diaz: So theoretically she is the oldest permanent employee, right?

Ms. Aguirre: There's a couple in Public Works, there's a couple in Housing. I mean, people at that stage would definitely -

Mayor Diaz: But we don't have Housing in here, right?

Ms. Aguirre: No.

Mayor Diaz: Right. So a couple in Public Works, a couple Administrative, there's no Police yet.

Ms. Aguirre: No.

Acting Mayor Rogers: No Fire?

Ms. Aguirre: No. So Police are not, well, actually, Police would be included in here. The question then is, you know, do we address them because they are already getting an increase. They're getting \$3,000 stipends and they are getting a \$1.00 increase.

Mayor Diaz: Right.

Ms. Aguirre: Which combined would far surpass this.

Acting Mayor Rogers: Two are retiring in August.

Mayor Diaz: So you're saying, for at least for purposes of talking here, five people would get, it would cost the City \$105,000?

Ms. Aguirre: Five people? No, Mr. Mayor, this is for City-wide. I'm giving you a cost estimate City-wide because what I am telling you is the cost of when people are going to be meeting those five years. So ultimately within these five years from 2024 to 2028, I can give you a count of how many people that would address.

Ms. Moreno: And this takes into consideration that you have the same staffing level exactly as right now, that it does not change. Everybody that's here now stays here for '24, '25, '26, '27, '28, if they don't leave, this is what the numbers are going to look like. If they leave the numbers will change because you have less people meeting that criteria and it will change. So, this is a projection. It stays status quo just like we see it now for the next year.

Mayor Diaz: And also to address Mr. Flagg's concern is that we probably couldn't afford it at that time.

Councilor Flagg: That's kind of true.

Mayor Diaz: I like Mr. Flagg's concern that in 2028 we won't be able to afford it.

Ms. Moreno: So that's why you do it year to year. That's why other cities and towns put in that disclaimer based on budgetary availability because you cannot promise future budget. All you can do is adopt to year to year.

Ms. Aguirre: This is for this year's budget, what it would cost you, and then next year we would provide you with a whole new budget, hopefully each year gets better.

Ms. Moreno: And you know, every year could face challenges and it could change.

Mayor Diaz: So it is \$67,000, is that in the budget right now, projected?

Ms. Aguirre: No. If you were interested in that you could appropriate out of the \$123,000 left in contingency, you could appropriate \$67,000. Now what I wanted to double check here and make sure, and before I go there, what City Manager mentioned there was a very good point. What I gave you here was an estimate for implementing long term. But, there could also be the option of providing a long term stipend using this model here, and doing a one time, based on funding availability and then consider it every year. Consider longevity pay every year. One of the things I did want to double check and make sure is whether Police is included, because they could be less than that \$67,000. I don't want to make any assumptions before meeting with you all but I need to look into that detail, to that amount.

Councilor Flagg: Hey, Mr. Mayor.

Mayor Diaz: Yes, Sir.

Councilor Flagg: You know, so we live in a real different situation, South Tucson, one square mile, like 40 employees, and look what we pay people. I mean, we're doing the best we can but, for instance, we have the worst paid cops in the state, so like, if we had all the money in the world or even if we had a significant amount of money, say we were Scottsdale or something, then it would be an expectation that we could get employees to last a long time. But with our cops, or even our employees, I mean, I've stuck around like some of us in this room a long time at a certain place. I've been at my job for 40 years, but I consider myself something sort of a freak, something of an anomaly, and especially like the way the world's turning out, maybe we need to think different, and is it realistic for cops to want to stay in South Tucson for the long haul? Because they don't get paid very good, I mean, you brought up the thing of loyalty, but I don't know how realistic that is. So times are changing and maybe we need to like figure out different things, like I thought maybe the thing would be what Lourdes said at the end here, which would be investing in that stipend for the people that are here today, where if we are sitting in these chairs here a year from now, a year from today, times are changing. Do you really expect people to not, to hang in there in South Tucson over the long haul with the wages and benefits and everything that we pay. I don't know.

Mayor Diaz: Well, let's ask Public Works.

Mr. Lopez: Thank you, Mayor. Mr. Mayor, the reason I want to say this is the guys are happy, you know, those guys are less paid, it's no mystery here, but I'll be honest with you and I'm not being biased, my Department really puts out work, they do a lot of work. They don't argue with me, they just do it. They went through a lot of things, all these guys went through, these guys took it really hard, very, very hard.

Mayor Diaz: So working in 110 degree weather, out there for 6-8 hours, it's ridiculous to get paid \$17.00 an hour for that kind of work, Brian.

Mr. Lopez: I appreciate what you are saying because I understand what Brian was saying, let's take care of it now, because these guys were so happy with City Manager's, Finance Director gave them the bonus for Christmas. That was like a gift to these guys. And if we could do something small for these guys, they

understand, even if it's a small thing, but if it keeps coming along that would be awesome, because they guys have a little bit of time, some have a whole bunch of time, Mayor, no paid holidays because these guys took it very, very hard.

Mayor Diaz: I don't see, I don't get it, Brian, you talk about people, but these guys work in the hot sun.

Acting Mayor Rogers: He does, too.

Councilor Aguirre: I don't think anybody's arguing that, we're trying to figure out what to use the money we have right now and where to put it, where to best utilize it. I agree, I totally agree with you, and I think it's back to the same point when we were looking at option #4 there, being able to sustain the longevity, sustain what we implement. So if we are going to go put a bunch of money that we really don't have right now into Public Works and hire new people and do things like that, if we can't sustain that, then we are going to be laying guys off. We're going to be breaking up households and be doing more harm in the long run than we need to.

Mr. Lopez: I forgot that at one time we had, what was it, 16-17 employees and we got down to 6-7, and thank you Lourdes for (inaudible). I was born here, I was raised here, and I'll tell you what, I really love this place and that's why I'm working on lighting, because I know lighting, we take care of things here for the Police Department, you know, even if the work is hard, people take orders here.

Mayor Diaz: So maybe I shouldn't bring it up at this time, but you know, you don't use OSHA, and you don't use Blue Stake, and that's a liability to the City and you need to do that. And the only way you can do that is either by having more money or having more people.

Councilor Aguirre: OSHA is free.

Mayor Diaz: That's the only way you are going to be able to do that stuff and the way you are operating right now is very liability for the City and some guy gets hurt out there because you don't have the proper street markings or proper things. I saw you do that 36<sup>th</sup> and 10<sup>th</sup> Avenue repaving. That's great, give those guys a breakfast on me, you know, I'll do that. But you violated quite a bit of OSHA's and Blue Stakes out there.

Mr. Lopez: Mr. Mayor, quite a bit of that out there is Blue Stake, major corridors, basically. They know exactly when we're they because they call us and they ok it. We deal Blue Stake, believe me. Nothing is going to change but it has to be modified. We have the same wires we had 20-30 years ago is still existing. We have not changed nothing. When we take something off we put something back in the same place, so they already know that. With Blue Stake, we have their number so we call and it's ok and they know exactly what was there. We don't do something without calling Blue Stake. So I'm not sure where you got that information, Sir, but I do call Blue Stake and I do work with Blue Stake very closely. If there's been an emergency of some kind on our side, it was more on their side or Pima County, but it wasn't South Tucson.

Councilor Aguirre: Mayor, if I could. First of all, thank you Angel. I mean, as someone who works out in the sun in the heat I appreciate your work, I really do, and that includes all of your crew. I don't know where the misconception or idea of not having money makes it a liability where we can't use Blue Stake or OSHA because those are free services. OSHA is kind of involved in a lot of everything we do day to day in a lot of the construction and things we do anyway. But I feel like we all understand that there is a huge need we have in our City that we really don't have the money that we need to address all of the issues, and I really appreciate

you understanding the situation that we are in. And I am hoping that we all as colleagues can come together and figure out how do we best support our City. Thank you.

Mayor Diaz: I think we've been offered a suggestion here, if you repeat it again, out of the contingency fund.

Ms. Aguirre: So, Mr. Mayor and Members of the Council. Now, after backing out Police from the longevity pay because they are getting an increase and they are also getting a stipend, a very significant stipend, the cost out of the General Fund would be \$41,195. And so that would be for the rest of the employees, the rest of the permanent employees.

Councilor Aguirre: So you're not including Police, correct?

Ms. Aguirre: Correct. \$41,195 should you consider it to be a one time.

Mayor Diaz: I think that's good, and we can re-do it again if it's not a long-term thing that we can continue. If we can't, let's negotiate again in December, right.

Acting Mayor Rogers: I think that's good enough.

Mayor Diaz: Right. Can we do that?

Ms. Aguirre: You can always revisit your budget and discuss concerns.

Mayor Diaz: So we can do it for one year, and next year we can drop it?

Ms. Aguirre: Yeah, so well, actually, if you did it the same way and you set the stipend for longevity pay in December. You can do it in December, or you can do it at the beginning of the year, I mean, it's whenever, because you're giving them, you're acknowledging them, your tenured employees for their years of service to date, correct, for the five and the ten years that they served. One time, so you know it would be at your discretion, beginning, middle, it's not to retain them. You already have them.

Councilor Aguirre: Right.

Ms. Aguirre: It's to thank them.

Mayor Diaz: Correct.

Ms. Aguirre: So I am going to put in then \$41,000 in modification to scenario #4, \$41,000, and this is without P.D.

Acting Mayor Rogers: Police.

Ms. Aguirre: Without Police, \$41,000. So I am going to go back to our worksheet here, \$41,000, and I think everybody, so with that said, it appears as though scenario #4 is more enticing to you all than #5, because it would be either/or.

Mayor Diaz: What is the option of reviewing it for each budget year?

Ms. Aguirre: Yeah.

Councilor Aguirre: Yeah, that's always an option. And just coming from a worker's perspective, I'd much rather have an increase in my pay than just a small stipend, yeah, totally.

Ms. Aguirre: Although, Mr. Mayor, Councilor Aguirre, because I'm listening to everybody and I'm gathering everybody's take, especially after we went over the five-year model, I don't think we are in a position to commit long-term, we don't want to forget about it.

Councilor Aguirre: Right, right.

Ms. Aguirre: We want to consider it when possible, for long-term if things change; however, this would be a one-time.

Councilor Aguirre: Right.

Acting Mayor Rogers: Yeah.

Ms. Aguirre: One-time check for that amount, for the 2 and the 4%.

Councilor Aguirre: Right, ok.

Ms. Aguirre: Ok, \$41,195, I'm just going to copy this over and I can give you all a total.

Mayor Diaz: John's been working out there for 23 years, for \$17.00 an hour.

Acting Mayor Rogers: Yeah.

Ms. Aguirre: Well, that said, you still have contingency of \$82,000 left. And you guys, that was wonderful because you all addressed a 1.5% COLA.

Mayor Diaz: I guess it was mentioned that maybe Housing, I don't know, may be able to be done by the City of Tucson, something like \$30,000 a year that we get from them as far as what they give to us to do the paperwork for them.

Ms. Aguirre: Thank you, Mr. Mayor, for bringing that one up. And in a previous conversation I think you had mentioned to me that you had heard of a possibility, you know, having to do with City of Tucson services and I think that would be for consideration during your Housing Board meeting. I think it's a relevant topic. If there are any concerns that the City's General Fund would lose money because we do the books for them, by doing that, by moving the service or by having City of Tucson take over, we don't lose anything, really. All that the Finance Department receives for doing their books is \$300, \$375 a month, \$4,000 a year. It's not much, it won't make a big impact. The reason for that is that we process everything here entirely for internal controls. We also help them with their cash flow. We help them manage the books as well. We do a lot for them. They pay an outside company to be able to do the books for them as well, so when I'm done processing everything here, I send everything to that outside company. The reason for that is that company is certified to prepare all of the required HUD reports. These are very technical, very specialized. If we had somebody that was technical and specialized in that field here, we would be able to do it, but we don't. So they do pay, Housing does pay about \$20,000 or more to that outside company. But the General Fund would not really lose significant money.

Mayor Diaz: So that brings the other areas that I guess the franchise fees are based on how much, what's the percentage on that?



Ms. Aguirre: So Mr. Mayor and Councilors, the franchise fees are based on, just from percentages, I think the standard was about 3% back when we last visited it. So franchise fees are not up for consideration or modification until the end of the 25-year term.

Mayor Diaz: 25-year term?

Ms. Aguirre: Yeah, the 25-year term. Those are adopted and approved by vote. The last time we did that was in 2016 if my memory serves me right. In 2016, Mayor, Council and Staff worked out the renewal agreement with the franchise companies such as TEP, Southwest Gas, COX, ok, so those were all published, and they were put on the ballot, and they were approved by the voters. Those are 25-year term agreements for any franchise. So that won't come up for another 18 years, 18 years.

Ms. Moreno: The 25-year term, yes.

Mayor Diaz: Ok, I will look into that one because all the other cities are charging 6% on franchise fees.

Ms. Aguirre: In franchise fees, yes. I could be wrong. It's been seven years since I looked up those figures.

Ms. Moreno: I remember in our conversation, Mayor, with the representative from the Gas Company, we actually thought about increasing because we want to negotiate the rate and that was a no.

Ms. Aguirre: And maybe it was because of the time in which we, it was 7 years ago. At that time whatever we got as a percentage was the going rate amongst jurisdictions. And now there are jurisdictions that it's their time to renew, so you're listening about it on the news and other places, and maybe the rate now is higher.

Ms. Moreno: There's no competitor. They know they are the sole source, so we're at the mercy of them, you know, the utility companies, we can't go out to the market or other people for electrical, so we take what we can because no other companies compete with those three. We need the service so we take what we can. Any increases, that would be great, but it's not going to be (inaudible).

Ms. Aguirre: Could we by statute, because this is all in statute, is the City allowed to renegotiate and put it back to vote? Who knows, but we can ask.

Ms. Moreno: If it's in the agreement.

Ms. Aguirre: We can ask.

Mayor Diaz: I'll ask. It comes down to a pass-through fee anyway, so I'll have to pay more to watch TV. Anyway, one more. How much do we have in that contingency fee?

Ms. Aguirre: Right now, \$87,000.

Mayor Diaz: \$87,000?

Ms. Aguirre: Yes.

Mayor Diaz: Ok, now, don't misunderstand me. We live on sales taxes.

Acting Mayor Rogers: It's terrible.

Mayor Diaz: And right now we have the highest sales tax, but we also have the lowest property tax that only brings like what, \$58,000?

Ms. Aguirre: \$60,000 for next year.

Mayor Diaz: \$60,000 for next year and it might increase, but what were you saying, once the value goes up the taxes go, how did you say that?

Ms. Aguirre: So Mr. Mayor, there are Constitutional limits that will prevent the City's total collection, collection rate, from exceeding a certain amount. So you are always going to hover within that \$58-60, maybe \$61, but you're never going to get a significant amount.

Mayor Diaz: And so that was a suggestion, maybe a crazy idea, what if we eliminate the City property tax at \$58,000 using part of the contingency \$680, \$7,000, you said of the contingency fee?

Ms. Aguirre: Can you repeat that, Mr. Mayor?

Ms. Moreno: Forego the property tax.

Ms. Aguirre: Forego it. Mr. Mayor, I would really advise against that because if you forego it, it could be hard to get it back. And it's very minimal right now.

Mayor Diaz: Ok, so right now we have a limit as far as raising the property taxes. And if we eliminate it, and we go for a certain number of years, then we say if we want it, we can set a new higher rate.

Ms. Aguirre: No, no, that's not the case, not on the primary.

Mayor Diaz: Not on the primary?

Ms. Aguirre: Not on the primary. You can't set your own rate on the primary. That's guided by Constitution.

Vice Mayor Lopez: Yes.

Mayor Diaz: As to the price of the property, property value.

Ms. Aguirre: Well, they're always property value right now.

Mayor Diaz: Right. I understand that. If you bring it back, the new limit doesn't have to be the two point whatever it is now that we're doing. It could be a higher level. It could be a 4.0 property tax rate for the primary because it's a new property tax.

Councilor Aguirre: Mr. Mayor, if I could, I just want to clarify you and see if I understand what you are trying to say. So Constitutionally right now, we can only increase a certain percentage of what the current property tax rate is, correct? Is that how it works?

Ms. Aguirre: Yes, Mayor and Councilor Aguirre, it's like within a percent.

Councilor Aguirre: A percent. So I'm assuming what you are trying to say is if we forego it, then we don't have an amount, so then when we bring it back you can set it at whatever rate you want, but I don't think that's correct. And I think we might even be in more trouble because we might not be able to get it back or it might be really hard for us to get it back.

Ms. Aguirre: Correct.

Mayor Diaz: Ok.

Councilor Aguirre: So we have no property tax rate we can only raise it up a certain percentage, we might be down below 1%.

Mayor Diaz: Ok, so if we get businesses in here because of that, that we don't have any city property tax.

Councilor Aguirre: Right, then we're putting all of our taxation on the weight of the poorest people in our City. It's all going through sales tax, it's only if we're not even asking property owners to put in a little bit more, I think that's totally unfair to our residents here in the City.

Councilor Flagg: That's what Trump would do.

Councilor Aguirre: Yeah, totally.

Councilor Valenzuela: I agree totally 100%. So I'm sorry, Mayor, so my understanding is that you're saying to eliminate the primary property tax in order to incentivize businesses to come in here and then at some point try to get back on at a higher property tax?

Mayor Diaz: If we need it, yes. If we don't need it, no. I mean, it would stay like that because of the fact that we entice the businesses to come in here because we don't have a city sales tax, property tax.

Councilor Aguirre: I believe having the lowest property taxes, I mean, the fact that we have the lowest property taxes in the state should be incentive enough, that in itself, yeah, totally.

Mayor Diaz: Well, but again, I just brought it up.

Councilor Aguirre: No, it's fine.

Acting Mayor Rogers: It's called a Study Session. Thank you.

Mayor Diaz: Thank you.

Councilor Aguirre: I appreciate the debate.

Mayor Diaz: Ok, I'm done.

Councilor Valenzuela: For the record, I disagree with that.

Mayor Diaz: Ok, anymore?

Ms. Aguirre: Mr. Mayor, Members of the Council, a couple things on the horizon is we are currently going to be working on, in the next couple of months, maybe by the end of the year, you know, recodifying our City Code, making sure that it's up to date, that it includes all of the Ordinances. Once that is done it will be much easier for us to, in one swing, evaluate and bring for your approval a listing of fees, completely updated, for all you to consider whether it be from what it would cost to issue Police reports, to what it costs for Planning and Zoning fees, for any type of City service fees, we can bring that all up to you for your consideration. So that is going to be coming down the line. There are possibilities here where there could be enhancements in the coming years as well.

Mayor Diaz: That, ok, for example, and this is another debate, if we create a 501(c) whatever, the 3-2-1, whatever it is, and people can donate through Fund Me or something to that effect can we use that money without being included in the budget? In other words, can we do that?

Ms. Aguirre: Yes, Mr. Mayor and Councilors, that is a possibility. I think that has been entertained by previous Councils in the past.

Acting Mayor Rogers: Yes.

Ms. Aguirre: It is a good way to bring in additional money. A lot of the 501(c)(3) entities that are formed to receive those types of funds have a Board and they also report back to Mayor and Council. And they have oversight from Finance, City Finance, as to what types of money they're collecting and how they are disbursing it. So I mean, that's a possibility there but I don't know, I don't know if you all would be interested in having an outside entity do that. Maybe because it's not something that would reside with the City or on the City's books, even though we have to have oversight over it, but you know, I don't know, just inexperience lends itself for, you know, we have less control.

Councilor Valenzuela: Mayor, if I may, sorry, I just want clarification. For the upgrading of the (inaudible), who would raise a recommendation for that, City Staff or is the Mayor asking to get a third party to do an evaluation and present the recommendation?

Ms. Aguirre: No, Mr. Mayor and Councilor Valenzuela, those types of recommendations come from Staff and they are provided to Mayor and Council after we have reviewed and researched in comparison to other jurisdictions.

Mayor Diaz: So you would have a vote in it, yes.

Councilor Valenzuela: Thank you.

Councilor Flagg: Can you give us a timeline now on budget, how we are going to proceed on the budget?

Ms. Aguirre: Yes, of course. Now that we have had this opportunity for study session, do any of you all have any other things to add to this list of priorities that we need to quantify.

Acting Mayor Rogers: I just want to make sure that you know, Mr. Mayor, I'd like to tell her, don't forget about my thing about our Police Officer who died and where will it come into play, you know.

Ms. Aguirre: So Mr. Mayor, Members of the Council, Councilor Rogers mentioned at last year's budget session she wanted to invest in some artwork at the JVYC, kind of like a tribute.

Acting Mayor Rogers: The only Police Officer that has been killed in South Tucson.

Ms. Aguirre: And so I don't know if you would be interested in having that included in the priorities to be funded out of contingency.

Acting Mayor Rogers: Sixto Molina got ahold of me and two more other Chiefs and the family.

Ms. Aguirre: I think they did mention at that time that there is a mural, there is artwork at JVYC inside.

Acting Mayor Rogers: This was asking for outside on 6<sup>th</sup> Avenue and I said I would do what I can. I'm just telling that as something.

Mayor Diaz: So, next question.

Councilor Aguirre: So just real quick on that, was that request from the JVYC from Jessica or members -

Acting Mayor Rogers: It was basically the family of the son who died and the brother, and Sixto Molina was one of the Chiefs that contacted me, could I do anything.

Councilor Aguirre: Thank you.

Councilor Valenzuela: Mayor, is this part of the agenda?

Acting Mayor Rogers: No, it's about budget.

Ms. Aguirre: Councilor Valenzuela, we are just going through discussion, Mayor and Council priorities.

Acting Mayor Rogers: That wasn't the question. Do we have any funding?

Mayor Diaz: So in the Community Block Grant, we have, I guess we are not going to have Fire anymore on there because most of the budget was going to Fire and Police, so can we, I don't understand when the process starts for the Community Block Grant, but we were passed through on some of the grant money and JVYC was granted a big lump. Are they still Pio Decimo/JVYC, are they still doing programs over there?

Ms. Aguirre: Yes, they are, Mr. Mayor. As a matter of fact, a couple of months ago we just brought the IGA to you all for approval, and it was an IGA for City of Tucson with Pima County for CBG, and also the agreement between the City of South Tucson and Pio Decimo. And Mr. George Rushing, the Director, was in the audience and I believe he spoke and so did Ms. Jessica Alderete. They were here and spoke on all the services they provide. They thanked you all, so it continued as a pass through.

Mayor Diaz: Right, ok. So, but in respect to the Community Block Grant when is that open and what year does it go to?

Ms. Aguirre: So Mr. Mayor, the agreement that was just approved a couple of months ago is effective retroactively to October 1<sup>st</sup>. That one goes from October 1<sup>st</sup> through September 30<sup>th</sup> of next fiscal. The applications for funding that would start again October 1<sup>st</sup> of this year going through September of next year, were due in January, some time in January, and they were submitted already.

Mayor Diaz: Ok, so Fire is still on there?

Acting Mayor Rogers: Hopefully.

Ms. Aguirre: Yes, Mr. Mayor, but at this point it's not really a concern because it's at the Program Manager's discretion, you know, depending on how it is being utilized. Mayor and Council, we can always do modifications with the County to move funding within.

Mayor Diaz: Well, I don't want to lose a benchmark that we have set, so that's my concern.

Ms. Aguirre: No, so the bottom line does not change. You can, you can move monies around. We've done that in the past, like if a program is nearly done and they have a little bit of money there, we consolidate with another one or, for instance, in the case of Police Department, where they were unable to utilize the community policing funding because they didn't have staffing to run it, they were giving the money to Fire for a couple of years. So budget modifications are -

Mayor Diaz: So again, those recommendations come from Staff to the Council to move that money around?

Ms. Aguirre: We can, and a lot of times we already have communication with some of these programs, for instance, any of the programs, if Mr. Lopez, for instance, under his program he noticed this year he's going to new a few more pieces of equipment for community clean-up efforts, then we would be able to accommodate that through budget modification.

Mayor Diaz: Ok, so I guess relating to what Rita was saying, do we have \$75,000 for the Arts Program for use?

Ms. Aguirre: Mr. Mayor, \$75,000 is not available through CDBG. There's a going \$75,000 available for street art through RTA.

Acting Mayor Rogers: Street art?

Ms. Aguirre: Street art.

Mayor Diaz: So is that street art or -

Ms. Aguirre: Yes, street art has to be on the street, main corridors, through RTA funding.

Mayor Diaz: Ok, so then the other question is that I guess the summer youth program also for jobs relating with I guess the Public Works, was that applied for, for the City of South Tucson?

Ms. Moreno: If I may, Mayor, Pima County, you know, is in charge of the summer youth program. We just happen to be a work site. Yes, this year the work site during the summer, they will work a lot with the Public Works Department. Sometimes we have Staff work with us in the front office. Yes, that's a Pima County run program. So none of the monies are filtered through the City of South Tucson. We only oversee record keeping.

Mayor Diaz: So it doesn't affect our budget at all?

Ms. Moreno: No, it never has.

Mayor Diaz: Ok, thank you. Ok, I'm done.

Acting Mayor Rogers: Anybody wish to adjourn?

Vice Mayor Lopez: Mr. Mayor, I make a Motion that we adjourn.

Councilor Aguirre: I Second that.

Mayor Diaz: Wait, wait.

Ms. Aguirre: So, thank you all for your patience.

Acting Mayor Rogers: Oh, she's got more stuff.

Ms. Aguirre: Just want to recap. We've gone over the entire list. A lot of the items here are covered through other funding sources, luckily. A lot of these items were covered through savings, departmental savings. I have tallied all of this. I have made note of even, luckily, just to recap, Mayor and Council have been able to incorporate scenarios 1, 2, 3, 4, not 5, scenarios 1 through 5 in this plan and still has \$82,000, \$82,297 from contingency for a total of, let me tell you right now how much, a total of \$118,819 is what it cost you to implement all these items here. It was wonderful, I'm sure all employees are going to appreciate it. It approved a \$1.00 increase on the Police side, a \$3,000 stipend for Police Officers in two different installments.

It also approved retention stipends for the rest of the City employees to keep them, retention stipends, this is for permanent employees, not Reserves, permanent. Both of those will apply to all non-Police personnel employees. So it will go to Fire Reserves. It also includes longevity paid in one lump sum for the first year, longevity paid in one lump sum at \$41,195. All of that, \$118,000 is the total and you have \$82,000 left in contingency. If you all have anything else you want to consider we can review, but at this point, with this drawn out the way it is, this pretty much gives me an idea of what, or gives you all an idea of how you want your budget implemented for next year. We are not dipping any further. It doesn't change the bottom line on your budget. Still that negative \$48,000 deficit. You did allow me to provide, and this is the consensus I got, to move \$600,000 into contingency.

Acting Mayor Rogers: Yep.

Ms. Aguirre: That's from this year's savings so you are ready to address Fire Department issues. We are going to do that, so that will drop your deficit to \$3,700, and you have addressed all of this. Now, that said, I am not going to make the changes on the books to reflect a different baseline until you all approve the budget, until you all vote on it. This again, though, is based on general consensus. The next meeting that we have we are going to review the restricted funds. And hopefully we can have another meeting like this where we can just review. I don't think it's that in-depth, but Housing is included in there, you know you've got some of the smaller funds, but that will be coming at a following meeting in May. In June, and this is based on our typical calendar for budget process, in June, first meeting, I will bring to you all if you guys give me the go ahead to proceed, I'll bring you all a tentative budget. That tentative budget will include this baseline. The one thing I am going to modify is I am going to put the \$600,000 in there, ok. We are going to have this, that is the only item that is going to change on it, along with this modified sheet to show that you still have \$87,000 in contingency. But it gives the breakdown of how you want that split. So that and your baseline budget you have, this will make up the General Fund budget. It will be followed by the pages for the Restricted budget. All of that will make up your tentative, and by the first meeting in June, we can bring that to you all and then we can ask for approval of tentative by Resolution. After Mayor and Council approve the tentative by Resolution, then we have to comply with State law, and we need to post it on the governmental newspaper. So we will post it on the Daily Territorial, that's where all governments post. We will post it there for two consecutive weeks. Hopefully we will have enough time to bring it back to you by the third meeting, and if not, we will have a Special Meeting before the end of June for you all to approve the entire budget. Once approved, then we are ready to go by July 1<sup>st</sup> with an approved budget. So again, by the end of May hopefully, because we have this here in draft form already, I already told you what changes I'll make, that \$600,000 and I will bring the Restricted to you. And the first meeting in June, I'll bring everything together for you in a tentative budget.

Mayor Diaz: Thank you.

Ms. Aguirre: Sure, thank you all for your time, for your input. Employees will appreciate it.

Ms. Moreno: I want to add one last thing, to remind you right now, if I may, Mr. Mayor. I know someone mentioned to me, to Lourdes, about updating this room, clean up carpet, a new area in here for the public, modernizing your workspace so when you have meetings, you don't have pulpits that are being dragged. It's something to think about. I have no idea how much it would cost. Just food for thought.

Acting Mayor Rogers: It's ten times better than my house.



Ms. Moreno: It's been like this since 1988.

Councilor Valenzuela: I think it's full-on retro.

Ms. Aguirre: It's historic.

Councilor Aguirre: If I could, Mayor, I'd like to make a motion to adjourn the meeting.

Vice Mayor Lopez: Second.

Mayor Diaz: A Motion and Second. All those in favor, signify by saying Aye.

Councilmembers: Unanimous Aye.

The meeting adjourned at 9:20 p.m.

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Mayor

ATTEST:

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Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Agenda Meeting of the City Council of South Tucson, Arizona, held on the 9th day of May, 2023. I further certify the meeting was duly called and a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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Veronica Moreno, City Clerk